



Financial Statements

Central Okanagan Foundation

August 31, 2022

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Independent Auditor's Report

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To the directors of
Central Okanagan Foundation

Opinion

We have audited the financial statements of Central Okanagan Foundation ("the Foundation"), which comprise the statement of financial position as at August 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at August 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 *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 for our qualified opinion.

Emphasis of matter

We draw attention to Note 18 to the financial statements, which explains that certain comparative information presented for the year ended August 31, 2021 has been restated. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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.

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.

Auditor's 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.

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 of British Columbia, we report that in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

Kelowna, Canada
December 1, 2022

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants

Central Okanagan Foundation

Statement of Financial Position

August 31	2022	2021 (Restated Note 18)
Assets		
Current		
Cash and cash equivalents	\$ 781,515	\$ 825,170
Receivables	29,884	14,433
Deposits	100	-
Accrued interest receivable	784,751	639,774
Prepaid expenses	<u>6,848</u>	<u>45,655</u>
	<u>1,603,098</u>	<u>1,525,032</u>
Portfolio investments		
Cash and cash equivalents	5,092,190	2,010,644
Laddered bond portfolio	9,813,324	10,952,061
Managed accounts at fair value	<u>25,065,105</u>	<u>28,328,765</u>
	<u>39,970,619</u>	<u>41,291,470</u>
Life insurance policies (Note 3)	33,185	32,153
Tangible capital assets (Note 4)	<u>26,094</u>	<u>24,095</u>
	<u>40,029,898</u>	<u>41,347,718</u>
	<u>\$ 41,632,996</u>	<u>\$ 42,872,750</u>
Liabilities		
Current		
Payables and accruals	\$ 42,212	\$ 64,967
Grants payable (Note 5)	238,000	194,056
Unearned revenue (Note 6)	<u>439,482</u>	<u>402,853</u>
	<u>719,694</u>	<u>661,876</u>
Long-term grants payable (Note 5)	<u>155,500</u>	<u>82,500</u>
Net assets		
Restricted to - Endowment funds (Note 7)	34,399,506	32,811,554
- Fundholder funds	3,482,443	436,198
- Flow-through funds (Note 8)	1,073,081	1,042,856
- Allocations reserve (Note 9)	-	1,646,529
Unrestricted - Impact fund	982,644	936,852
- Admin fund	426,598	-
- Operating fund	<u>393,530</u>	<u>5,254,385</u>
	<u>40,757,802</u>	<u>42,128,374</u>
	<u>\$ 41,632,996</u>	<u>\$ 42,872,750</u>

Commitment (Note 13)

On behalf of the Board



Director



Director

Central Okanagan Foundation Statement of Operations

Year ended August 31

	Restricted						Unrestricted				2021 Total (Restated – Note 18)	
	Endowment funds	Fundholder funds	Flow-through funds	Reaching Home funds	Allocations reserve	Impact fund	Admin fund	Operating fund	2022 Total			
Revenue												
Endowment contributions	\$ 1,193,135	\$ 108,656	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,301,791	\$ 2,374,633		
Flow-through donations												
- General	-	-	669,143	-	-	-	-	-	669,143	1,121,354		
- City of Kelowna grants	-	-	187,000	-	-	-	23,000	-	210,000	210,000		
- District of Peachland grants	-	-	-	-	-	-	-	-	-	4,000		
- Bursary and scholarship	-	-	11,575	-	-	-	-	-	11,575	16,398		
Investment returns												
- Interest and dividends	-	-	-	-	-	-	-	1,125,811	1,125,811	290,075		
- Realized and unrealized (loss) gain on equity portfolio	-	-	-	-	-	-	-	(1,264,257)	(1,264,257)	5,376,763		
Donations	-	-	-	-	-	47,157	4,637	-	51,794	81,122		
Special projects (Note 6)												
- Special project revenue	-	-	-	-	-	-	228,808	-	228,808	116,678		
- Sub-project	-	-	-	1,980,672	-	-	-	-	1,980,672	1,336,558		
In-kind contributions												
- Annual report	-	-	-	-	-	-	9,500	-	9,500	8,000		
- Insurance premiums	-	-	-	-	-	-	16,875	-	16,875	36,791		
Expenses												
Administration (Note 10)	-	108,656	867,718	1,980,672	-	47,157	282,820	(138,446)	4,341,712	10,972,372		
Amortization	-	-	-	-	-	-	722,860	-	722,860	666,740		
Distributions	-	-	-	-	-	53,712	7,870	-	7,870	9,899		
Special project – sub-project costs (Note 6)	-	1,803,632	-	-	-	-	-	-	1,857,344	1,089,470		
Flow-through funds – distribution (Note 11)	-	-	-	1,980,672	-	-	-	-	1,980,672	1,336,558		
Investment fees	-	-	837,493	-	-	-	-	-	837,493	1,050,161		
	-	-	-	-	-	-	-	306,045	306,045	240,174		
	-	1,803,632	837,493	1,980,672	-	53,712	730,730	306,045	5,712,284	4,393,002		
Excess (deficiency) of revenue over expenses	\$ 1,193,135	\$(1,694,976)	\$ 30,225	\$ -	\$ -	\$(6,555)	\$(447,910)	\$(444,491)	\$(1,370,572)	\$6,579,370		

See accompanying notes to the financial statements

Central Okanagan Foundation Statement of Changes in Net Assets

Year ended August 31

	Restricted						Unrestricted					2021 Total
	Endowment funds	Fundholder funds	Flow-through funds	Reaching Home funds	Allocations reserve	Impact fund	Admin fund	Operating fund	2022 Total			
Net assets, beginning of year as previously stated	\$ 32,811,554	\$ -	\$ 1,034,839	\$ -	\$ 1,646,529	\$ 936,852	\$ -	\$ 5,254,385	\$ 41,684,159	\$ 35,227,070		
Prior period adjustment (Note 18)	-	436,198	8,017	-	-	-	-	-	444,215	321,934		
Net assets, beginning of year, restated	32,811,554	436,198	1,042,856	-	1,646,529	936,852	-	5,254,385	42,128,374	35,549,004		
Excess (deficiency) of revenue over expenses	1,193,135	(1,694,976)	30,225	-	-	(6,555)	(447,910)	(444,491)	(1,370,572)	6,579,370		
Interfund transfer	394,817	4,741,221	-	-	(1,646,529)	52,347	874,508	(4,416,364)	-	-		
Net assets, end of year	<u>\$ 34,399,506</u>	<u>\$ 3,482,443</u>	<u>\$ 1,073,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 982,644</u>	<u>\$ 426,598</u>	<u>\$ 393,530</u>	<u>\$ 40,757,802</u>	<u>\$ 42,128,374</u>		

See accompanying notes to the financial statements

Central Okanagan Foundation

Statement of Cash Flows

Year ended August 31

2022

2021
(Restated –
Note 18)

Increase (decrease) in cash and cash equivalents

Operating		
Excess of revenue over expenses	\$ (1,370,572)	\$ 6,579,370
Adjustment for non-cash items		
Amortization	7,870	9,899
	<u>(1,362,702)</u>	<u>6,589,269</u>
Changes in non-cash operating working capital		
Receivables	(15,451)	7,354
Deposits	(100)	-
Accrued interest receivable	(144,977)	(194,246)
Prepaid expenses	38,807	(18,744)
Payables and accruals	(22,755)	(946)
Grants payable	116,944	(15,999)
Unearned revenue	36,629	19,296
	<u>(1,353,605)</u>	<u>6,385,984</u>
Investing		
Purchase of tangible capital assets	(9,869)	(7,968)
Investments, net	1,319,819	(6,041,900)
	<u>1,309,950</u>	<u>(6,049,868)</u>
Increase (decrease) in cash and cash equivalents	(43,655)	336,116
Cash and cash equivalents, beginning of year	<u>825,170</u>	<u>489,054</u>
Cash and cash equivalents, end of year	<u>\$ 781,515</u>	<u>\$ 825,170</u>

Central Okanagan Foundation

Notes to the Financial Statements

August 31, 2022

1. Nature of organization

The Foundation is a society incorporated under the Society Act of British Columbia whose purpose is to encourage and promote the establishment of endowment funds on behalf of the community to create a permanent source of income to be distributed annually for charitable activities primarily within the Central Okanagan.

The Foundation is a registered charity within the definition of the Income Tax Act and therefore, as long as it complies with the rules and regulations of the Income Tax Act, it is exempt from income taxes and may issue receipts to donors.

2. Summary of significant accounting policies

Basis of presentation

The Foundation has prepared these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit-Organizations ("ASNPO").

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of three months or less.

Financial instruments

The Foundation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. A financial asset or liability is recognized when the Foundation becomes party to contractual provisions of the instrument.

Initial measurement

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Financing fees and transaction costs on financial instruments subsequently measured at fair value are expensed as incurred.

Prior to amendments effective September 1, 2021

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Foundation is in the capacity of management in which case they are accounted for in accordance with financial instruments.

After amendments effective September 1, 2021

Financial assets or liabilities obtained in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Foundation does not have any financial assets or liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

(continued)

Central Okanagan Foundation

Notes to the Financial Statements

August 31, 2022

2. Summary of significant accounting policies *(continued)*

Financial instruments *(continued)*

Subsequent measurement

Prior to amendments effective September 1, 2021

The Foundation subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment except for its holding in equity securities which are measured at fair value. The financial instruments measured at amortized cost are cash and cash equivalents, investments, payables and accruals and deferred capital contributions.

After amendments effective September 1, 2021

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Foundation initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value would be subsequently measured at amortized cost or fair value based on certain conditions.

Derecognition

The Foundation removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires.

Tangible capital assets and amortization

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution.

Rates of amortization applied on a straight-line basis to write off the cost of tangible capital assets over their estimated lives are as follows:

Computer hardware	5 years
Computer software	5 years
Furniture and equipment	5 years
Leasehold improvements	5 years

Impairment of tangible capital assets

When a tangible capital asset no longer has any long-term service potential to the Foundation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any write-downs recognized are not reversed.

The Foundation tests tangible capital assets, or groups of tangible capital assets, for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of the tangible capital asset or group of tangible capital assets exceeds the asset's fair value or replacement cost.

Grants payable

Grants payable are recorded when authorized for payment by the Board. At August 31, 2022, there were a number of grants which had been approved by the Board but not yet paid. Grants, which have been approved by the Board, but not yet distributed by August 31, 2022 are expensed in the current year, removed from the Grantable balance, and placed in payables in the name of the recipient charity chosen for the grant. If the multi-year grant is not payable until after fiscal year 2023, it will be recorded as long-term grants payable.

(continued)

Central Okanagan Foundation

Notes to the Financial Statements

August 31, 2022

2. Summary of significant accounting policies *(continued)*

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions.

Restricted contributions are recognized as revenue when received or receivable in the appropriate restricted fund. Restricted contributions for which there is no corresponding restricted fund are accounted for using the deferral method and recognized as revenue in the administration fund when the related expenses are incurred.

Unrestricted contributions are recognized as revenue in the appropriate unrestricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Bequests are recognized as revenue when received.

Flow-through funds received from organizations or donors are distributed annually according to recommendations of the Foundation grant committee or as recommended by the donor. These funds are therefore recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured and as an expense when allocated.

Volunteers and other local businesses contribute significant services and other gifts to assist the Foundation. If determinable, in-kind contributions are recorded at their fair market value when received.

Life insurance policies

Life insurance policies owned by the Foundation and where the Foundation is the sole beneficiary are included in assets to the extent of their cash surrender value.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each year end date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are recorded in the statement of operations in the year they become known. Items subject to significant management estimates include allowance for doubtful accounts, if applicable, and estimated useful life and related amortization rates of tangible capital assets.

3. Life insurance policies

The Foundation has been given life insurance policies under which it is the owner and sole beneficiary. The policies are treated as an investment and shown as an asset to the extent of the cash surrender values. The total coverage provided under the policies owned by the Foundation is approximately \$508,500 (2021 – \$708,500).

	<u>2022</u>	<u>2021</u>
Cash surrender value, beginning of year	\$ 32,153	\$ 29,489
Change in cash surrender value	<u>1,032</u>	<u>2,664</u>
Cash surrender value, end of year	<u>\$ 33,185</u>	<u>\$ 32,153</u>

Premiums paid during the year by the insured donors were \$16,875 (2021 – \$36,791) and are recognized as both revenue and expense in the statement of operations.

Central Okanagan Foundation

Notes to the Financial Statements

August 31, 2022

4. Tangible capital assets

			<u>2022</u>	<u>2021</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Computer hardware	\$ 42,487	\$ 24,108	\$ 18,379	\$ 12,459
Computer software	20,684	13,746	6,938	9,075
Furniture and equipment	23,367	22,590	777	2,462
Leasehold improvements	993	993	-	99
	<u>\$ 87,531</u>	<u>\$ 61,437</u>	<u>\$ 26,094</u>	<u>\$ 24,095</u>

5. Grants payable

Grants payable consist of the following:

	<u>2022</u>	<u>2021</u>
Total grants payable	\$ 393,500	\$ 276,556
Less: current portion	<u>(238,000)</u>	<u>(194,056)</u>
	<u>\$ 155,500</u>	<u>\$ 82,500</u>

Grants payable are expected to be paid as follows:

2023	238,000
2024	<u>155,500</u>
	<u>\$ 393,500</u>

6. Unearned revenue

Unearned revenue relates to grants received in the current year that will be used during future years. The unearned revenue for the year is as follows:

	<u>2022</u>	<u>2021</u>
Reaching Home		
Deferred revenue opening balance	\$ 402,853	\$ 383,557
Funding received/receivable	2,246,109	1,472,532
Recognized special projects revenue	(228,808)	(116,678)
Sub-project costs	<u>(1,980,672)</u>	<u>(1,336,558)</u>
Total unearned revenue	<u>\$ 439,482</u>	<u>\$ 402,853</u>

Effective April 1, 2015, the Foundation partnered with Human Resources and Skills Development Canada through a Homelessness Partnering Strategy (HPS) program which ran from April 1, 2015 to March 31, 2019. As of March 25, 2019, the Foundation obtained a new five-year contract, that was renamed the Reaching Home (RH) program, that runs from April 1, 2019 to March 31, 2024. The RH promotes strategic partnerships and structures, including housing solutions and supports, to assist homeless persons and those at risk of becoming homeless in moving toward self-sufficiency.

Central Okanagan Foundation

Notes to the Financial Statements

August 31, 2022

7. Endowment funds

The principal contributed by donors is to be held as a permanent endowment in separate funds. Investment returns earned on these endowment funds are allocated, as directed by the fund donor for designated funds or as determined by the Foundation's Directors for discretionary funds and distributed in amounts determined annually by the Foundation's Directors. For the current fiscal year, the allocation rate was set at 7.5% (2021 – 3.5%), plus an additional one-time allocation of 1% to Capital.

8. Flow-through funds

The flow-through funds relate to amounts that have not yet been allocated and disbursed. The sources of these funds are as follows:

	2022	2021
Okanagan Rail Trail Initiative	\$ 873,164	\$ 624,423
Other	199,917	410,416
	\$ 1,073,081	\$ 1,034,839

9. Allocation reserve

In 2012, the Board of Directors established an internally restricted allocations reserve. This reserve is intended to provide funding for allocations in those years where investment returns are less than the allocations goal set by the Board. This reserve is not available for unrestricted purposes without approval of the Board of Directors. It is the Foundation's objective to accumulate a balance in the reserve representing an estimate of three years of allocation distributions. As directed by the Board of Directors, contributions to the fund may be made from investment earnings in excess of 3.5% and transfers from other funds. Income earned on the reserve fund will be added to the investment returns and allocations fund.

10. Administration

	<u>Reaching Home</u>		2022	2021
	<u>Designated communities</u>	<u>General</u>	<u>Total</u>	<u>Total</u>
Board and committee meetings	-	2,368	2,368	2,871
Communications and IT	10,554	27,859	38,413	41,281
Conferences and workshops	251	1,320	1,571	764
In-kind insurance premiums	-	16,875	16,875	36,791
Insurance	-	3,629	3,629	2,736
Memberships	-	11,072	11,072	12,570
Office and printing	16,150	1,723	17,873	20,591
Professional fees	5,417	62,631	68,048	36,565
Publicity and promotion	-	17,096	17,096	21,292
Rent	33,783	30,268	64,051	61,924
Salaries and benefits	162,653	319,211	481,864	429,355
	\$ 228,808	\$ 494,052	\$ 722,860	\$ 666,740

Central Okanagan Foundation

Notes to the Financial Statements

August 31, 2022

11. Flow-through funds – distributions

A summary of the flow-through funds distributed is as follows:

	<u>2022</u>	<u>2021</u>
General	\$ 630,918	\$ 844,588
City of Kelowna	192,000	182,000
Bursaries	<u>14,575</u>	<u>23,573</u>
	<u>\$ 837,493</u>	<u>\$ 1,050,161</u>

12. Administrative fee

A Board approved administration fee of 1.2% (2021 – 1.2%) of the average investment portfolio is used to help defray operating costs.

13. Commitment

The Foundation renewed its lease agreement for its premises through March 1, 2027. Minimum lease payments are \$62,939 per year for duration of the lease.

14. Related party transactions

Included in various revenue line items are contributions totalling \$12,631 (2021 - \$400) from directors and staff of the Foundation.

Transactions with related parties are recorded at the exchange amount, the amount of consideration agreed to between the related parties.

15. Financial instruments risks

Market risk

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

- **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 with respect to investments in bonds.

- **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk on its managed accounts as these include investments in equities quoted in an active market.

Central Okanagan Foundation

Notes to the Financial Statements

August 31, 2022

16. British Columbia Societies Act

The British Columbia Societies Act requires disclosure of the amounts of remuneration paid to all directors, the ten highest paid employees, and all contractors who were paid at least \$75,000 annually. The Society had one individual that fell within this disclosure requirement with an annual remuneration of approximately \$79,670 (2021 – \$182,940) for the year ended August 31, 2022.

17. Comparative figures

Some of the comparative figures have been reclassified, where applicable, to conform to the current year's presentation.

18. Correction of prior period error

During the year, the Foundation identified that the undistributed allocations were improperly reported as liabilities and should have been recorded as net assets. In addition, in previous years, the change in Life Insurance Policies asset was recorded as a direct increase to the asset and the equity balance. These transactions instead should have been recorded as donation revenue in the Statement of Operations. As a result, the August 31, 2021 comparative figures have been restated resulting in the following changes to the amounts that were previously reported.

Statement of Financial Position	Previously reported	Error adjustment	Restated
Undistributed allocations	\$ 444,215	\$ (444,215)	\$ -
Fundholder funds	-	436,198	436,198
Flow-through funds	1,034,839	8,017	1,042,856
Statement of Operations			
Donations	78,458	2,664	81,122
Total revenue	10,969,708	2,664	10,972,372
Distributions	1,211,751	(122,281)	1,089,470
Total expenses	4,515,283	(122,281)	4,393,002
Excess (deficiency) of revenue over expenses	6,454,425	124,945	6,579,370
Statement of Cash Flows			
Excess of revenue over expenses	6,454,425	124,945	6,579,370
Undistributed allocations	122,281	(122,281)	-
Investments, net	(6,039,236)	(2,664)	(6,041,900)
