



Financial Statements of

Osprey Community Foundation

December 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of the
Osprey Community Foundation

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Qualified Opinion

We have audited the financial statements of the Osprey Community Foundation, ("the Foundation"), which comprise the statement of financial position as at December 31, 2020, 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, except for the possible effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Osprey Community Foundation as at December 31, 2020, 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 Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2020 and December 31, 2019, current assets as at December 31, 2020 and December 31, 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years. The audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 Osprey Community 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Osprey Community 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 cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Osprey Community 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 the 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.

INDEPENDENT AUDITORS' REPORT (continued)

- 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 Osprey Community 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.

Grant Thornton LLP

Chartered Professional Accountants

June 9, 2021

Nelson, Canada

Osprey Community Foundation

Statement of Financial Position

As at December 31, 2020

				Total	
	General	Restricted for Future Grants	Endowment	2020	2019
CURRENT ASSETS					
Cash and cash equivalents	\$ 135,229	\$ 276,082	\$ 23,696	\$ 435,007	\$ 412,394
Accounts receivable	10,027	95,779	-	105,806	100,866
Prepaid expenses	-	-	-	-	300
	145,256	371,861	23,696	540,813	513,560
LONG-TERM INVESTMENT (note 3)	29,745	-	-	29,745	27,389
FUNDS ON DEPOSIT WITH					
VANCOUVER FOUNDATION (note 4)	-	-	7,610,904	7,610,904	7,456,436
	\$ 175,001	\$ 371,861	\$ 7,634,600	\$ 8,181,462	\$ 7,997,385
LIABILITIES					
Accounts payable and accrued liabilities	\$ 6,457	\$ 3,000	\$ -	9,457	\$ 10,839
Deferred Grants and Contributions (note 5)	6,000	-	-	6,000	6,000
Contra - funds on deposit with Vancouver Foundation	-	-	7,610,904	7,610,904	7,456,436
	12,457	3,000	7,610,904	7,626,361	7,473,275
NET ASSETS					
General - unrestricted	123,298	-	-	123,298	111,959
General - internally restricted	39,246	-	-	39,246	35,439
Restricted for future grants	-	368,861	-	368,861	357,107
Endowment	-	-	23,696	23,696	19,605
	162,544	368,861	23,696	555,101	524,110
	\$ 175,001	\$ 371,861	\$ 7,634,600	\$ 8,181,462	\$ 7,997,385

Approved by the Directors:

Osprey Community Foundation

Statement of Operations and Changes in Net Assets For the year ended December 31, 2020

	Restricted for			Total	
	General	Future Grants	Endowment	2020	2019
REVENUE					
Donations	\$ 3,120	\$ 111,310	\$ 154,195	\$ 268,625	\$ 107,432
Investment earnings	2,288	381,152	-	383,440	370,979
Vancouver Foundation Fee Rebate	34,506	-	-	34,506	33,922
Administration fees	74,485	-	-	74,485	60,575
Administration fund income	1,051	-	-	1,051	966
Grants	32,323	4,500	-	36,823	31,000
Restricted for COVID Granting	-	167,140	-	167,140	-
Gain (Loss) on disposition of securities	188	-	-	188	(336)
Gain (Loss) on valuation of assets	437	-	-	437	2,831
Membership fees	180	-	-	180	160
	148,578	664,102	154,195	966,875	607,529
EXPENDITURES					
Affiliate Admin Expenses	246	-	-	246	1,308
Administration fees	-	74,485	-	74,485	60,575
Administration fund distribution	-	1,051	-	1,051	966
Advertising, promotion and events	9,756	-	-	9,756	1,731
Bank and transaction fees	718	-	-	718	234
Executive director and admin staff	67,226	-	-	67,226	54,257
Professional Development	551	-	-	551	10,526
Grants distributed	4,027	393,166	-	397,193	344,624
COVID Grants Distributed	5,000	183,268	-	188,268	-
Insurance	2,055	-	-	2,055	1,845
Memberships and fees	605	-	-	605	613
Miscellaneous and sundry	346	-	-	346	122
Office equipment and expenses	24,836	-	-	24,836	5,858
Professional fees	8,200	-	-	8,200	6,765
Rent	4,100	-	-	4,100	4,100
Transferred to Vancouver Foundation	3,986	378	150,104	154,468	75,317
Utilities	1,780	-	-	1,780	1,836
	133,432	652,348	150,104	935,884	570,677
Excess (deficiency) of revenue over expenditures	15,146	11,754	4,091	30,991	36,852
NET ASSETS, beginning of year	147,398	357,107	19,605	524,110	487,258
NET ASSETS, end of year	\$ 162,544	\$ 368,861	\$ 23,696	\$ 555,101	\$ 524,110

Osprey Community Foundation

STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received - unrestricted donations	\$ 1,200	\$ 1,200
Cash received - memberships	160	160
Cash received - Grant for program administrative costs	19,573	6,000
Cash received - Grants for equipment, and training	12,750	1,000
Cash received - Vancouver Foundation Fee rebate	33,841	39,842
Cash received - GST rebate	363	578
Cash paid - wages and benefits	(68,744)	(54,257)
Cash paid - goods and services	(52,443)	(35,407)
Net cash used for operating activities	(53,300)	(40,884)
CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES		
Earnings - short term investments	2,288	4,382
Cash received - endowment donations	154,195	65,692
Cash received - endowment earnings	377,222	362,448
Cash received - flow through grants	282,950	68,620
Cash (loss) gain - disposition of donated securities	188	(336)
Cash paid - grants	(586,462)	(344,890)
Cash transferred to Vancouver Foundation endowment	(154,468)	(75,117)
Net cash from financing and investing activities	75,913	80,799
Net increase in cash	22,613	39,915
CASH AND CASH EQUIVALENTS, beginning of year	412,394	372,479
CASH AND CASH EQUIVALENTS, end of year	\$ 435,007	\$ 412,394

OSPREY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS For the year ended December 31, 2020

1. NATURE OF ORGANIZATION

Osprey Community Foundation was incorporated under the Canada Corporations Act, by Letters Patent dated March 17, 2000. The Foundation is registered with the Charities Division, Canada Revenue Agency and is classified as a public foundation. As such, it is exempt from federal income taxes and can issue charitable donation receipts.

The Foundation uses the income from funds donated and bequeathed to its endowment to support charitable activities in the West Kootenay region of British Columbia.

In March 2020, the COVID-19 outbreak caused governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include the implementation of facility closures, travel restrictions, self-isolation periods, and social and physical distancing, will have a significant impact on the local and global economy. At this time it is not possible to reliably estimate the length and severity of the COVID-19 outbreak and how it may impact the Foundation's investments and financial results for 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements of the Foundation have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. The following is a summary of the significant accounting policies of the Foundation:

a) Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, all funds received with a restricted purpose are expended for that purpose.

For financial reporting purposes, the accounts have been classified into the following funds:

General Fund

The General Fund accounts for the Foundation's administrative activities. This fund reports unrestricted resources including unrestricted grants and contributions and general administrative expenditures. Restricted contributions for other than future grants are recognized in the General Fund using the deferral method of accounting.

Restricted for Future Grants Fund

The Restricted for Future Grants Fund reports contributions, investment income and grants received that are restricted for granting by the Foundation.

OSPREY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS For the year ended December 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Endowment Fund

The Endowment Fund reports resources required to be maintained on a permanent basis.

b) Cash and Cash Equivalents

The Foundation's policy is to present credit union balances, bank balances, high interest savings accounts and money market investments under cash and cash equivalents.

c) Financial Instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

d) Revenue Recognition

Contributions are recognized when received or receivable into the applicable funds. Investment income earned on the Foundation's endowment with the Vancouver Foundation is reported in the Restricted for Future Grants Fund in the year the investment income is earned. Restricted contributions recorded in the Restricted Fund are recognized as revenue when received. Unrestricted contributions of the General Fund are recognized as revenue when receivable. Restricted contributions for other than future grants are recognized in the General Fund when the related expenses are incurred.

e) Donated Services

Donated services and volunteer hours are not recognized in the Foundation's financial statements, because of the difficulty in determining their fair value.

f) Use of Accounting Estimates

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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

OSPREY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS For the year ended December 31, 2020

3. LONG-TERM INVESTMENT

In 2014, the Foundation received a donation of a life insurance policy. The cash surrender value at December 31, 2020 was \$29,745 (2019 - \$27,389). In 2020, the total tax receipted amount of the donation was \$1,920 representing the value of the premiums paid by the donor. This asset is reported at the cash surrender value rather than the face value. Any increase or decrease in cash surrender value is allocated to the General Fund and recorded as a gain or loss on value of an asset. This asset is internally restricted in the General Fund until it is paid out and transferred into a designated endowment fund.

4. FUNDS ON DEPOSIT WITH VANCOUVER FOUNDATION

Funds on deposit with Vancouver Foundation are permanently endowed in the "Osprey Community Foundation Endowment Fund" ("the Fund"). Vancouver Foundation has invested these funds, and the annual earnings allocated to the Fund are either distributed to the Osprey Community Foundation or capitalized in the Fund. The market value of the Fund at December 31, 2020 was \$10,646,583 (2019 - \$9,886,434).

The effect of an increase or decrease in market value of the Fund is to increase or decrease the potential future distribution of income earned by the Fund. Vancouver Foundation distributes income at a rate based on an average of several years' investment return, applied to the market value of the fund.

Because the Foundation has the right to receive only the investment income and has no access to the contributed principal, the Foundation recognizes both the contributed principal as an asset and an offsetting contra account on the liability section of the statement of financial position.

5. DEFERRED GRANTS AND CONTRIBUTIONS

Deferred grants and contributions reported in the General Fund represent the unspent portion of grants and contributions restricted for certain purposes other than for granting.

	2020	2019
Balance, beginning of year	\$ 6,000	\$ -
Plus: amounts received	-	6,000
Less: eligible expenditures	-	-
Balance, end of year	\$ 6,000	\$ 6,000

OSPREY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS For the year ended December 31, 2020

6. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments. The following analysis presents the Foundation's exposure as at December 31, 2020.

Market and credit risk

The Foundation minimizes potential adverse effects of financial instrument risks on investments by investing substantially all endowment funds with the Vancouver Foundation. The Vancouver Foundation employs professional experienced portfolio advisors and manages market risk by establishing and monitoring asset allocation strategies and by diversifying investments within the various asset classes to control overall market risk. Non-endowed cash and cash equivalents are held in savings and money market accounts mitigating exposure to market or credit risk.

Liquidity risk

The Foundation does not have a bank loan or long-term debt. The Foundation retains sufficient cash to meet its liabilities mitigating any potential liquidity risk.

Interest rate risk

Cash and cash equivalents are short term in nature and are not generally subject to significant amounts of interest rate risk.

Currency risk

The Foundation maintains all its investments outside of the endowment with the Vancouver Foundation in Canadian dollars minimizing exposure to currency risk.

7. COMMITMENTS

The foundation has committed to an office lease for \$342 monthly, expiring December, 31, 2021.

8. ENDOWMENT FUNDS

Investment earnings attributable to the various endowment funds are distributed proportionately to charitable organizations either named in the deed of gift establishing the fund, or active in the field of interest specified for the fund. Distributions attributable to the Community Fund are not restricted to a specific charitable purpose.

The Foundation's endowment funds are as listed on the following pages:

OSPREY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS For the year ended December 31, 2020

Osprey Community Foundation Endowment Funds

	2020	2019
Amy Ferguson Institute - June Lythgoe Scholarship Fund	\$ 20,000	\$ 20,000
Angelo Mastrobuono Bursary Fund	70,049	65,049
Arts Fund	665	665
B.C. Festival of the Arts Legacy Fund	65,487	65,487
Bragagnola Bursary Fund	30,000	30,000
Brian McGrath Memorial Bursary Fund	29,332	29,332
Caitlynd Piderman Scholarship Fund	29,437	27,909
Capitol Theatre Fund	12,608	12,608
Care to Learn Programme Fund	10,100	10,100
Child, Youth & Family Fund	7,500	7,500
City of Nelson Employees' Scholarship Fund	22,233	21,648
Community Food Security Fund	16,843	16,243
Community Fund (Nelson B.C.)	395,183	390,473
Dan Davidoff Legacy Fund	10,864	10,864
David Thompson Arts Award Fund	54,956	54,956
Discover Nelson Fund	49,244	49,244
Environment Fund	28,566	28,466
Ernie Gare Athletic Scholarship Fund	160,320	160,320
Fischbein Fund	10,000	10,000
Friends of Nelson Elders in Care Fund	59,510	59,510
Health - Wellness, Education & Prevention Fund	51,138	51,138
Health General Fund	62,210	62,210
Ian Smith Memorial Fund	17,722	16,804
Kalein Endowment Fund	25,600	20,500
Kaslo & District Public Library Fund	10,100	10,050
Kaslo Seniors Housing Fund	1,002	1,000
Katherine & Robert E. McGauley Fund	42,759	30,016
Kerry Dyck Memorial Scholarship Fund	26,000	14,500
Kootenay Lake Hospital Fund	55,190	55,190
Kootenay Savings Credit Union Community Fund (Salmo)	64,952	64,952
Kootenay Savings Credit Union Community Fund (Slocan Valley)	134,241	134,241
Kootenay School of the Arts Fund	30,000	30,000
L.V.Rogers Class of 2008 Bursary Fund	10,356	10,000
L.V.Rogers Legacy Fund	10,350	10,350
Lipscombe Family Fund	11,196	11,196
Lois McKinnon Legacy Fund	30,000	30,000
Macdonald Family Fund	10,000	-
Mary Woodward Legacy Fund	24,005	22,005
Mental Wellness	9,351	9,351
Morrison Family Fund	26,871	26,871
Nancy Jones Legacy Fund	22,100	21,000
Nelson & District Credit Union Fund	119,500	119,500
Nelson Home Hardware Community Fund	15,000	10,000
Nelson Lions Club Fund	360,000	360,000
Nelson Masonic Lodge Scholarship Fund	50,000	50,000
Nelson Municipal Library Legacy Fund	24,835	24,735

OSPREY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS For the year ended December 31, 2020

Nelson Museum & Art Gallery Fund	256,087	254,587
Nelson Police Board Fund	28,377	22,672
Nelson Real Estate Fund	4,355	4,355
Nelson Waldorf School Bursary Fund	28,528	28,528
Nick Maras Memorial Fund	44,857	44,632
Normen and Lonnie Facchina Legacy Fund	2,020	1,000
North Kootenay Lake Arts & Culture Fund	19,291	19,291
North Kootenay Lake Child, Youth & Family Fund	15,240	15,240
North Kootenay Lake Community Fund	876,534	819,855
North Kootenay Lake Environment Fund	41,798	38,978
North Kootenay Lake Kootenay Savings Community Fund	75,700	75,700
North Kootenay Lake McKinnon Family Fund	90,175	90,175
North Kootenay Lake Seniors Fund	15,320	15,320
Osprey Administration Endowment Fund	27,753	25,153
Salmo Valley Community Fund	26,932	26,166
Sheba Fund (anonymous donor)	3,576,968	3,576,968
Slim Porter Fund	3,476	3,426
Slocan Valley Legacy Fund	133,433	110,902
Suzy Hamilton Legacy Fund	20,555	17,285
Ted Hargreaves Fund	19,824	19,824
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	\$ 7,634,600	\$ 7,476,041