
Financial statements of
The Alexandra Foundation for
Neighbourhood Houses

March 31, 2020

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Independent Auditor's Report

To the Board of Directors of
The Alexandra Foundation for Neighbourhood Houses

Opinion

We have audited the financial statements of The Alexandra Foundation for Neighbourhood Houses (the "Foundation"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as 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, 2020, and the results of its 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 ("Canadian GAAS"). 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 opinion.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, these financial statements are prepared on a basis consistent with that of the previous year.

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 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 GAAS 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 GAAS, 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.

Deloitte LLP

Chartered Professional Accountants
July 22, 2020
Vancouver, British Columbia

The Alexandra Foundation for Neighbourhood Houses
Statement of operations and changes in fund balances
Year ended March 31, 2020

| | | 2020 | | | | | 2019 | |
|--|-------|--|--|--|---|----------------------------------|------------------|-----------|
| | Notes | Alexandra Foundation Trust Fund | Amy Hurn Scholarship Fund | Lucy Woodsworth Fund for Children | Cedar Cottage Youth Fund | Elmer Helm Youth Fund | Total | Total |
| | | \$ | \$ | \$ | \$ | \$ | \$ | |
| Revenue | | | | | | | | |
| Distributions from pooled funds | | 103,769 | 8,257 | 26,509 | 13,885 | 13,994 | 166,414 | 202,619 |
| Other investment income | 3 | 18,375 | — | 238 | — | — | 18,613 | 17,349 |
| Donations | | 265 | 625 | 4,565 | — | — | 5,455 | 3,582 |
| Gain on sale of investments | | 5,772 | 444 | 1,025 | 747 | 748 | 8,736 | 561 |
| | | 128,181 | 9,326 | 32,337 | 14,632 | 14,742 | 199,218 | 224,111 |
| Expenses | | | | | | | | |
| Grants and scholarships | 4 | 115,000 | 3,900 | 19,024 | — | 18,000 | 155,924 | 173,931 |
| Administration | 5 | 28,972 | 2,046 | 4,759 | 3,436 | 3,487 | 42,700 | 42,700 |
| Custodian and investment counsellor | 5 | 12,957 | 915 | 2,128 | 1,536 | 1,559 | 19,095 | 19,399 |
| Office and other | 5 | 4,084 | 287 | 679 | 482 | 494 | 6,026 | 6,248 |
| Audit fees | 5 | 3,200 | 226 | 525 | 379 | 385 | 4,715 | 4,587 |
| | | 164,213 | 7,374 | 27,115 | 5,833 | 23,925 | 228,460 | 246,865 |
| (Deficiency) excess of revenue over expenses before undernoted | | (36,032) | 1,952 | 5,222 | 8,799 | (9,183) | (29,242) | (22,754) |
| Unrealized loss on investments | | (352,719) | (26,187) | (61,542) | (43,847) | (45,350) | (529,645) | (34,530) |
| Deficiency of revenue over expenses | | (388,751) | (24,235) | (56,320) | (35,048) | (54,533) | (558,887) | (57,284) |
| Fund balances, beginning of year | | 2,545,558 | 179,991 | 422,998 | 301,373 | 311,703 | 3,761,623 | 3,818,907 |
| Fund balances, end of year | | 2,156,807 | 155,756 | 366,678 | 266,325 | 257,170 | 3,202,736 | 3,761,623 |

The accompanying notes are an integral part of the financial statements.

The Alexandra Foundation for Neighbourhood Houses

Statement of financial position

As at March 31, 2020

| | | | | | | 2020 | 2019 |
|--|---------------------------------------|---------------------------------|--|--------------------------------|--------------------------|------------------|-----------|
| | Alexandra Foundation Trust Fund | Amy Hurn Scholarship Fund | Lucy Woodsworth Fund for Children | Cedar Cottage Youth Fund | Elmer Helm Youth Fund | Total | Total |
| Notes | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Assets | | | | | | | |
| Current assets | | | | | | | |
| Cash | 38,026 | — | 4,104 | — | — | 42,130 | 35,739 |
| Accounts receivable | 9,310 | — | — | — | — | 9,310 | 9,760 |
| | 47,336 | — | 4,104 | — | — | 51,440 | 45,499 |
| Investments at market value | | | | | | | |
| Managed by Leith Wheeler | 2,110,316 | 155,756 | 362,574 | 266,325 | 257,170 | 3,152,141 | 3,597,183 |
| Managed by North Growth Management | 182,077 | — | — | — | — | 182,077 | 189,483 |
| | 2,339,729 | 155,756 | 366,678 | 266,325 | 257,170 | 3,385,658 | 3,832,165 |
| Liabilities | | | | | | | |
| Current liabilities | | | | | | | |
| Accounts payable and accrued liabilities | 182,922 | — | — | — | — | 182,922 | 70,542 |
| Fund balances | | | | | | | |
| Unrestricted | 2,156,807 | 155,756 | 366,678 | 266,325 | 257,170 | 3,202,736 | 3,761,623 |
| | 2,339,729 | 155,756 | 366,678 | 266,325 | 257,170 | 3,385,658 | 3,832,165 |

The accompanying notes are an integral part of the financial statements.

Approved by the Trustees

_____, Director

_____, Director

The Alexandra Foundation for Neighbourhood Houses

Statement of cash flows

Year ended March 31, 2020

| | 2020 | 2019 |
|--|------------------|-----------|
| | \$ | \$ |
| Operating activities | | |
| Deficiency of revenue over expenses | (558,887) | (57,284) |
| Items not affecting cash | | |
| Non-cash distributions from pooled funds | (166,414) | (202,619) |
| Gain on sale of investments | (8,736) | (561) |
| Unrealized loss on investments | 529,645 | 34,530 |
| | (204,392) | (225,934) |
| Changes in non-cash working capital | | |
| Accounts receivable | 450 | (875) |
| Accounts payable and accrued liabilities | 112,380 | 19,120 |
| | 112,830 | 18,245 |
| | (91,562) | (207,689) |
| Investing activities | | |
| Purchases of investments | (205,073) | (126,825) |
| Proceeds from sale of investments | 303,026 | 327,000 |
| | 97,953 | 200,175 |
| Net change in cash | 6,391 | (7,514) |
| Cash, beginning of year | 35,739 | 43,253 |
| Cash, end of year | 42,130 | 35,739 |
| Supplemental non-cash information | | |
| Reinvested distributions from pooled funds | 166,414 | 202,619 |

The accompanying notes are an integral part of the financial statements.

The Alexandra Foundation for Neighbourhood Houses

Notes to the financial statements

March 31, 2020

1. Description of operations

The Alexandra Foundation for Neighbourhood Houses (the "Foundation") is registered under the Societies Act of British Columbia. The Foundation is comprised of the Alexandra Foundation Trust Fund, the Amy Hurn Scholarship Fund, the Lucy Woodsworth Fund for Children, the Cedar Cottage Youth Fund, and the Elmer Helm Youth Fund (collectively, the "Funds").

These Funds comprise those assets over which the Foundation exercises discretionary investment control within guidelines established by the Board of Directors.

The Foundation is a registered charity organization under the Income Tax Act of Canada and is exempt from income taxes.

The purpose of the Foundation is to invest the assets and to allocate grants for charitable purposes as per the objectives of the Foundation.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Foundation in future periods.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following policies:

(a) Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions. These financial statements include five funds which are segregated for purposes of carrying on specific activities. Donations are recognized in the period received or receivable.

Interest, distributions from pooled funds and realized gains on investments are recognized as revenue in the period earned. Other than in instances of grants or donations received or paid by a specific fund, income earned and expenses incurred by the Foundation are allocated proportionately to each fund based on the relative fair market value of each fund's investment balance at the end of each quarter.

(b) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Foundation becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost except for investments in equities, mutual funds and bonds and debentures, which are measured at fair value.

Changes in unrealized gains and losses on investments and realized gains and losses on sale of investments are included in the statement of operations in the period incurred.

Financial instruments subsequently measured at amortized cost include accounts receivable, and accounts payable and accrued liabilities.

The Alexandra Foundation for Neighbourhood Houses

Notes to the financial statements

March 31, 2020

2. Significant accounting policies (continued)

(b) *Financial instruments (continued)*

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Foundation recognizes in the statement of operations an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases, and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of operations in the period the reversal occurs.

(c) *Donated materials and services*

The Foundation does not record the value of donated materials and services as their fair value is not readily determinable.

(d) *Use of 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 period. Actual results could differ from the estimates.

3. Vancouver Foundation Endowment Fund

The Alexandra Foundation Trust Fund established a permanent endowment fund with the Vancouver Foundation to which it contributed \$160,000. This contribution has been partially matched by a contribution by the Vancouver Foundation in the amount of \$150,000 for a total endowment fund of \$310,000. The fund is administered by the Vancouver Foundation which annually distributes the earnings to the Alexandra Foundation Trust Fund. For the year ended March 31, 2020, interest income of \$17,775 (\$16,865 in 2019) from this fund was included in other investment income.

The Alexandra Foundation for Neighbourhood Houses

Notes to the financial statements

March 31, 2020

4. Grant and scholarship expenses

During the year, grants made by the Alexandra Foundation Trust Fund were allocated to the following:

| | 2020 | 2019 |
|---|----------------|----------------|
| | \$ | \$ |
| Marpole Neighbourhood House | 50,000 | 35,000 |
| Mount Pleasant Neighbourhood House | 40,000 | 10,000 |
| Alexandra Neighbourhood House | 25,000 | — |
| Downtown Eastside Neighbourhood House Society | — | 12,000 |
| Saanich Neighbourhood Place | — | 50,000 |
| Valley Community Services Society | — | 25,000 |
| | 115,000 | 132,000 |

5. Allocation of common expenses

Common expenses (administration fee, investment counsellor fees, audit fees, office and other expenses) of \$72,535 (\$72,923 in 2019) were allocated, based on the individual fund balances at the end of each quarter, to Alexandra Foundation Trust Fund, Amy Hurn Scholarship Fund, Lucy Woodsworth Fund for Children, Cedar Cottage Youth Fund and Elmer Helm Youth Fund.

6. Financial instruments and risk management

The Foundation's financial instruments are exposed to a variety of financial risks as noted below. The Foundation manages these risks by adhering to the guidelines of the investment policies set by the Board of Directors.

(a) Interest rate risk exposure

The Foundation is exposed to interest rate risk as the fair value of its investments will fluctuate due to changes in interest rates and the degree of volatility of those rates. The Foundation does not use derivative instruments to reduce its exposure to interest rate risk.

(b) Foreign currency risk exposure

Foreign currency risk is the risk that the value of the Foundation's investments will fluctuate due to changes in foreign currency exchange rates. It arises due to investments in mutual funds with underlying investments denominated in foreign currencies.

(c) Other price risk exposure

Other price risk is the risk that the value of the Foundation's investments will fluctuate due to changes in market prices, other than those arising from foreign currency risk and interest rate risk. It arises due to investments in equity mutual funds.

The Alexandra Foundation for Neighbourhood Houses

Notes to the financial statements

March 31, 2020

6. Financial instruments and risk management (continued)

(d) Credit risk exposure

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The investments, together with cash and accounts receivable, reported on the statement of financial position, represent the maximum credit risk exposure of the Foundation. The Foundation manages the credit risks by investing in a diversified portfolio and limiting its exposures to individual investments and counterparties.

(e) Liquidity risk

The Foundation's objective is to have sufficient liquidity to meet its liabilities when due. The Foundation monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2020, the most significant financial liabilities are accounts payable and accrued liabilities.

7. Disclosure of Director, employee and contractor remuneration

For the fiscal year ended March 31, 2020, the Foundation did not remunerate the directors for attending meetings as these are volunteer positions. The Foundation did not remunerate any employee or contractor more than \$75,000 during the year (none in 2019).