



Financial statements

Oakville Community Foundation

December 31, 2021

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Independent auditor's report

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To the Members of Oakville Community Foundation

Opinion

We have audited the financial statements of **Oakville Community Foundation** (“the Foundation”), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Oakville Community Foundation** as at December 31, 2021, and its 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. 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.

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.

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

Mississauga, Canada
April 6, 2022

Chartered Professional Accountants
Licensed Public Accountants

Oakville Community Foundation
Statement of financial position

December 31

2021

2020

Assets

Current

Cash and cash equivalents	\$ 661,791	\$ 664,416
Amounts recoverable	174,836	34,976
Current portion of impact investments (Note 5)	22,777	22,003
Prepays	17,923	26,407
	<u>877,327</u>	<u>747,802</u>

Investments (Note 4)	130,766,339	113,867,780
Long-term portion of impact investments (Note 5)	575,282	348,059
Capital assets (Note 6)	55,810	60,700
Cash surrender value on life insurance (Note 7)	48,750	41,006
	<u>\$ 132,323,508</u>	<u>\$ 115,065,347</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 176,773	\$ 93,030
Deferred revenue	23,830	59,162
Funds held on behalf of community organizations (Note 8)	47,015,055	39,470,891
	<u>47,215,658</u>	<u>39,623,083</u>

Fund balances

Endowed (Note 9)	70,135,840	62,958,640
Grant and Flow-Through Gifts (Note 11)	13,334,997	11,138,524
Operating	681,346	488,285
Stabilization Reserve	691,907	644,652
Capital (Note 12)	263,760	212,163
	<u>85,107,850</u>	<u>75,442,264</u>
	<u>\$ 132,323,508</u>	<u>\$ 115,065,347</u>

Commitments (Note 14)

Approved by the Board:

 Director  Director

See accompanying notes to the financial statements.

Oakville Community Foundation

Statement of operations and changes in fund balances

Year ended December 31

2021

2020

	Endowed Fund	Grant and and Flow- Through Gifts Funds	Operating Fund	Stabilization Reserve Fund	Capital Fund	Total	Total
Revenues							
Fund additions	\$ 697,985	\$ 2,227,845	\$ -	\$ -	\$ -	\$ 2,925,830	\$ 4,545,545
Grant revenue (Note 10)	-	862,668	325,191	-	-	1,187,859	1,867,878
Sponsorships and donations	-	-	121,958	-	-	121,958	125,835
Investment income (loss)	9,229,631	491,422	175,284	-	19,526	9,915,863	4,611,163
Administration fees	-	-	1,046,135	-	-	1,046,135	918,654
Other income (loss)	(4,816)	(4,184)	48,544	-	-	39,544	41,243
	<u>9,922,800</u>	<u>3,577,751</u>	<u>1,717,112</u>	<u>-</u>	<u>19,526</u>	<u>15,237,189</u>	<u>12,110,318</u>
Expenses							
Administration	7,755	515	1,179,204	-	30,403	1,217,877	1,156,101
Fund development and community programs	-	-	269,925	-	-	269,925	218,148
	<u>7,755</u>	<u>515</u>	<u>1,449,129</u>	<u>-</u>	<u>30,403</u>	<u>1,487,802</u>	<u>1,374,249</u>
Income (loss) for year before grant Disbursements	9,915,045	3,577,236	267,983	-	(10,877)	13,749,387	10,736,069
Grants	-	(4,083,801)	-	-	-	(4,083,801)	(5,653,047)
Income (loss) for year	<u>9,915,045</u>	<u>(506,565)</u>	<u>267,983</u>	<u>-</u>	<u>(10,877)</u>	<u>9,665,586</u>	<u>5,083,022</u>
Fund balances, beginning of year	62,958,639	11,138,524	488,285	644,652	212,164	75,442,264	70,359,242
Transfers designated for granting	(2,714,813)	2,714,813	-	-	-	-	-
Transfers between funds	(23,031)	(11,775)	(74,922)	47,255	62,473	-	-
Fund balances, end of year	<u>\$ 70,135,840</u>	<u>\$ 13,334,997</u>	<u>\$ 681,346</u>	<u>\$ 691,907</u>	<u>\$ 263,760</u>	<u>\$ 85,107,850</u>	<u>\$ 75,442,264</u>

Oakville Community Foundation

Statement of cash flows

Year ended December 31

2021

2020

Cash flows from (used in) operating activities

Income for year before grant disbursements	\$ 13,749,387	\$ 10,736,068
Grants	(4,083,801)	(5,653,047)
Adjustments for		
Amortization of capital assets	<u>30,403</u>	<u>31,015</u>
	<u>9,695,989</u>	<u>5,114,036</u>

Net change in non-cash working capital balances

Amounts recoverable	(139,860)	14,287
Prepays	8,484	(10,744)
Accounts payable and accrued liabilities	83,743	(266,267)
Deferred revenue	(35,332)	54,162
Funds Held on Behalf of Community Organizations	<u>7,544,164</u>	<u>(1,179,200)</u>
	<u>17,157,188</u>	<u>3,766,274</u>

Cash flows (used in) from investing activities

Net change in investments	(16,898,559)	(3,531,062)
Net change in impact investments	(227,997)	(28,778)
Acquisition of capital assets	(25,513)	(5,834)
Cash surrender value on life insurance	<u>(7,744)</u>	<u>(1,423)</u>
	<u>(17,159,813)</u>	<u>(3,567,097)</u>

Net change in cash and cash equivalents during the year

(2,625) 199,177

Cash and cash equivalents, beginning of year

664,416 465,239

Cash and cash equivalents, end of year

\$ 661,791 \$ 664,416

Oakville Community Foundation

Notes to the financial statements

December 31, 2021

1. Nature of operations

The Oakville Community Foundation (the “Foundation”) is a non-profit corporation established to benefit and improve the quality of life by receiving, maintaining, managing, controlling and using donations for charitable purposes. In the course of executing its mandate, the Foundation supports other community organizations. The Foundation was incorporated on March 10, 1994 under Part II of the Canada Corporations Act and was continued under the Canada Not-for-Profit Corporations Act on February 25, 2014. The Foundation qualifies for tax-exempt status as a registered charity.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

Cash and cash equivalents

Cash and cash equivalents are defined as cash and highly liquid investments. These consist primarily of cash held for operating purposes in demand current accounts and term deposits with terms to maturity of three months or less at the date of purchase.

Cash and cash equivalents that are held for investment purposes rather than operational purposes are classified as investments and are controlled by each individual investment manager in accordance with the Investment Policy.

Investments and investment income

Investments are recorded at fair market value as provided by Investment Managers.

Program-related and other Impact Investments are recorded at amortized cost.

Investment income (loss) consists of interest and dividends received, realized and unrealized capital gains and losses, less fees paid to outside professional portfolio managers and Foundation administration. Investment income (loss) is allocated proportionately to the Funds in accordance with specific agreements for each Fund.

Oakville Community Foundation

Notes to the financial statements

December 31, 2021

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at acquisition cost less accumulated amortization. Amortization is recorded at rates intended to write off the cost of the assets over their estimated useful life. Methods and rates used are:

Office furniture	10 years, straight-line basis
Computer equipment and website development	3 years, straight-line basis
Leasehold improvements	straight-line basis over remaining term of the lease
Software	5 years, straight-line basis

Funds

Donations and funds received are allocated to the various funds which have been established by the Foundation. Allocations among the funds are determined in accordance with specific agreements for each fund:

Funds Held on Behalf of Community Organizations

The Foundation accepts amounts from other charitable and not-for-profit organizations for the purpose of investment pooling. These amounts are included in the assets of the Foundation, and the fund balances are recorded as liabilities. Investment income (loss) is recognized as a direct increase (decrease) in the funds. Disbursements and the Foundation cost recovery from such funds are recognized as a decrease in Funds Held on Behalf of Community Organizations.

Endowed Fund

Amounts placed in the Endowed Fund are considered to be permanent in nature, pursuant to restrictions established at the time that donations are received. Amounts disbursed to charitable organizations must meet the criteria related to the purpose for which the Endowed Fund was established.

Certain of these agreements for amounts placed in the Endowment Fund include a clause that allows the donor to direct the transfer of all of the endowment funds then remaining, or any part thereof, to another registered charitable foundation or charity registered under the Income Tax Act.

Oakville Community Foundation

Notes to the financial statements

December 31, 2021

2. Summary of significant accounting policies (continued)

Grant and Flow-Through Gifts Funds

Grant

Amounts placed in the Grant Fund include transfers from the Endowed Fund to allow for future granting as defined by the Spending Policy of the Foundation and in accordance with Fundholder Agreements.

The Board of Directors approves all grants in accordance with the Granting Policy. Fundholders may recommend to the Board of Directors recipients of grants generated from the Endowed Fund in any year up to the amount of income allocated for granting in accordance with the Foundation's Spending Policy. In the event that the amounts recommended by the fund holder are less than the income allocated for granting in the fund, the Board of Directors may direct the granting without advice.

Flow-Through Gifts

Amounts in the Flow-Through Gifts Fund consist of Flow-Through Gifts and income earned thereon. Grant revenue received for the Foundation's participation in the Investment Readiness Program, the Emergency Community Support Fund, Canada Healthy Community Initiatives and the Gender Equality Program are included in the Grants and Flow-Through Gifts Funds. The grants distributed through these programs are also recognized in the Flow-Through Gifts.

The original capital along with all income earned in the fund may be granted out to charities registered under the Income Tax Act. Since the amounts can be granted out at any time, they are reported in these financial statements with the Grant Fund.

Operating Fund

The Operating Fund revenues include the administrative fees charged to funds as well as donations, grant revenue and sponsorship revenue. The administrative expenses of the Foundation and expenses associated with direct community programs are charged to the Operating Fund.

Stabilization Reserve Fund

The Stabilization Reserve Fund was established in 2011 to provide for the fiscal stability of the operations of the Foundation. The amount transferred to or from the reserve is determined based upon the budgeted revenues and expenses for the following year.

Capital Fund

Transfers to the Capital Fund from the Operating Fund are for acquisition of capital assets. The Capital Fund represents the unamortized cost of all capital assets plus any reserve for future acquisition of capital assets.

Oakville Community Foundation

Notes to the financial statements

December 31, 2021

2. Summary of significant accounting policies (continued)

Revenue recognition

Endowed Fund, Grant and Flow-Through Gifts Funds additions, grant revenue, donations, fundraising events, administrative fees and other income are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Foundation follows the deferral method of accounting for donations and grants to the Operating Fund. The donation or grant is not recognized as income until the related project expenditure is incurred.

Use of estimates

In conformity with Canadian accounting standards for not-for-profit organizations, management is required to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Actual results may differ from those reported.

Contributed services

Volunteers contribute a substantial number of hours each year to assist the Foundation in carrying out its activities. Due to the difficulty of determining their fair value, contributions of such services are not recognized in the financial statements.

Foreign currency translations

Foreign currency denominated monetary assets and monetary liabilities are translated into Canadian dollars at the exchange rate prevailing at the statement of financial position date.

Foreign currency denominated revenue and expenses are translated at the rates prevailing on the transaction date. Gains or losses on monetary assets and liabilities resulting from the translation of foreign currencies are recognized in the statement of operations and changes in fund balances during the year in which they arise.

3. Financial instruments

The Foundation's financial instruments consist of cash and cash equivalents, amounts recoverable, investments, program-related and other impact investments, accounts payable and accrued liabilities, grants payable and Funds Held on Behalf of Community Organizations. The Foundation measures all of its financial assets and liabilities at amortized costs, except for investments and Funds Held on Behalf of Community Organizations, which are measured at fair value.

The Foundation, in the normal course of operations, is exposed to a variety of risks which are actively managed by the Foundation. The Foundation has an ongoing risk assessment process to identify and mitigate any undue risks to the Foundation.

Oakville Community Foundation

Notes to the financial statements

December 31, 2021

3. Financial instruments (continued)

Market risk

Market risk is the risk that the fair market value of future cash flows from investments will decline because of changes in underlying market factors including equity market prices, market volatility, foreign exchange rates, interest rates and credit risks. The Foundation is exposed to market risk on the entire investment portfolio:

The COVID-19 pandemic has significantly affected financial markets, and market risk is one of the heavily impacted areas. The measurement of assets and liabilities may be significantly impacted, reflecting changes in cash flow forecasts, greater uncertainty and elevated risks.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in currencies other than Canadian dollars will fluctuate because of changes in foreign exchange rates. Foreign currency exposure arises from the Foundation's holdings of global investments. Foreign exchange exposure is managed within constraints prescribed by the Foundation's Statement of Investment Policy and Guidelines ("Investment Policy").

As at December 31, 2021 \$46,409,311 or 35% (2020 - \$43,321,001 or 38%) of the investment portfolio was unhedged and subject to foreign currency exposure. The most significant exposure to currency risk is in U.S. dollars, \$25,458,092 or 19% (2020 - \$25,644,350 or 22.5%).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will be affected by changes in interest rates. Interest rate risk predominantly impacts fixed-income securities. It is managed through an active asset-allocation and re-balancing process to determine how much of the investment portfolio should be allocated to fixed-income securities and through the active management of the duration of the fixed-income portfolio by professional investment managers engaged by the Foundation.

Other price risk

Other price risk is the risk that the fair value of 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. The Foundation is exposed to price risk on its entire investment portfolio. The diversification across various asset classes as mandated by the Foundation's Investment Policy is designed to decrease the volatility of portfolio returns.

Credit risk

Credit risk is the risk of financial loss to the Foundation if a counterparty to a financial instrument fails to meet its contractual obligations. Investments in short-term investments and fixed income investments are subject to credit risk. The maximum exposure to credit risk on these instruments is their carrying value. The risk is managed by limiting the credit exposure as stipulated by the Foundation's Investment policy.

Oakville Community Foundation

Notes to the financial statements

December 31, 2021

3. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Foundation cannot meet a demand for cash or fund its obligations as they come due. The majority of the Foundation's assets are in investments that are traded in an active market and can be readily liquidated. The Foundation's contractual liabilities are all due within one year, with the exception of lease commitments and certain granting obligations as set out in Note 14.

4. Investments

The Foundation adheres to an Investment Policy which outlines the objectives to ensure that the Foundation's investments are managed in a prudent manner so as to optimize the long-term returns while taking into account the Spending Policy needs of the Endowed Fund and remaining in compliance with all regulatory requirements.

The Investment Policy is reviewed by the Investment Committee and approved by the Board of Directors at least annually to ensure all activities are in compliance. The Policy includes guidelines on permitted investments, minimum and maximum amounts in each asset class, the maximum amounts of the market value of an investment manager's holdings invested in the securities of a single issuer, and it prescribes limits around the quality and concentration of the investment portfolio.

The Foundation believes considering environmental, social and governance (ESG) factors in the investment process is consistent with investment objectives and this integration is dictated by the Investment Policy.

The funds within the Foundation's Investment Pool are subject to the Investment Policy of the Foundation. Segregated Funds are managed by Investment Counsel recommended by the fund holders and are not included in the Foundation's Pooled Funds. The asset mix is as follows:

	<u>2021</u>	%	<u>2020</u>	%
Oakville Community Foundation				
Pooled Funds				
Cash and cash equivalents	\$ 9,205,602	8	\$ 463,920	0
Fixed income	10,225,822	9	10,823,949	10
Non-Traditional Income*	34,644,794	29	32,029,382	29
Canadian equities	24,251,654	20	24,523,099	22
Global equities	40,492,238	34	41,322,061	38
	<u>118,820,110</u>	<u>100</u>	<u>109,162,411</u>	<u>100</u>
Segregated Funds				
	<u>11,946,229</u>		<u>4,705,369</u>	
	<u>\$ 130,766,339</u>		<u>\$ 113,867,780</u>	

Oakville Community Foundation

Notes to the financial statements

December 31, 2021

4. Investments (continued)

*Non-traditional investments comprise mostly diversified lending; infrastructure; direct real estate; and multi-strategy income investments. They are considered “non-traditional” because they include holdings such as limited partnerships, loans, and direct investment in infrastructure and real estate. These investments have been structured to offer monthly liquidity to investors when circumstances permit.

5. Impact Investments

The Foundation has made Program-related investments in the form of two syndicated loans and one promissory note to charities. The investments’ purpose is to have a greater charitable impact by utilizing the capital itself, and not just the return on that capital, for charitable purposes.

The Foundation has made an additional impact investment with the intention to generate positive, measurable social and environmental impact alongside a financial return. The Foundation has invested in an impact bond.

	<u>2021</u>	<u>2020</u>
Program-related Investments:		
Loan receivable, secured by first collateral mortgage over the related property owned by the charity. Amortized over 25 years at 3.5% per annum.	\$ 251,516	\$ 259,042
Loan receivable, secured by a registered general security agreement covering all the assets of the charity. Amortized over 5 years at 3.5% per annum.	46,543	61,020
5 year promissory note receivable, 2% per annum	<u>50,000</u>	50,000
Total Program Related Investments	348,059	370,062
Other Impact Investments:		
5 year Series A Secured Impact Bond, 5% per annum	<u>250,000</u>	-
Total Impact Investments	598,059	370,062
Less current portion	<u>(22,777)</u>	<u>(22,003)</u>
Long-term portion	<u>\$ 575,282</u>	<u>\$ 348,059</u>

The carrying value of the loans will be reduced as principal payments are received.

Oakville Community Foundation

Notes to the financial statements

December 31, 2021

6. Capital assets			<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Office furniture	\$ 4,716	\$ 4,119	\$ 597	\$ 706
Computer equipment	76,483	66,070	10,413	9,616
Website development	106,194	86,616	19,578	8,848
Leasehold improvements	75,569	56,445	19,124	29,920
Software	<u>27,560</u>	<u>21,462</u>	<u>6,098</u>	<u>11,610</u>
	<u>\$ 290,522</u>	<u>\$ 234,712</u>	<u>\$ 55,810</u>	<u>\$ 60,700</u>

Amortization recorded during the year amounted to \$30,403 (2020 - \$31,015). During the year, capital assets were acquired for cash at an aggregate cost of \$25,513 (2020 - \$5,834).

7. Cash surrender value on life insurance

The Foundation is the assignee and owner of life insurance policies totalling \$1,049,545 (2020 - \$1,041,841) with a cash surrender value of \$48,750 (2020 - \$41,006). The cash surrender value on these policies has been included in these statements.

8. Funds Held on Behalf of Community Organizations

The Foundation accepts funds, and holds as liabilities, amounts from other charitable and not-for-profit organizations for the purpose of investment pooling. Cost recovery on these funds provides income to the Operating Fund. Activity during the year in these funds was as follows:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 39,470,891	\$ 40,650,091
Capital additions	5,189,753	2,316,133
Income	5,521,553	2,502,948
Disbursements	(2,914,614)	(5,773,460)
Foundation cost recovery	<u>(252,528)</u>	<u>(224,821)</u>
Balance, end of year	<u>\$ 47,015,055</u>	<u>\$ 39,470,891</u>

With required notice as defined by The Foundation's Agency Pooled Funds Withdrawal Policy, Funds Held on Behalf of Community Organizations are payable upon request within 3 weeks of the valuation month-end. As set out in Note 3, the majority of the Foundation's assets are in investments that are traded in an active market and can be readily liquidated to meet such requests.

Oakville Community Foundation

Notes to the financial statements

December 31, 2021

9. Endowed fund

The Endowed Fund includes \$18,088,824 (2020 - \$15,837,919) where the related agreements include a clause that allows the donor to direct the transfer as soon as possible of all the endowment funds then remaining, or any part thereof, to another registered charitable foundation or charity registered under the Income Tax Act.

10. Grant revenue

Grant revenue consists of revenue from the Foundation's participation in recurring and non-recurring programs as broken down in the table below. The Emergency Community Support Fund is a 2020 Government program that was launched in response to the Covid-19 pandemic and is not expected to continue in future years.

	<u>2021</u>	<u>2020</u>
Investment Readiness Program	\$ 715,771	\$ 848,947
Emergency Community Support Fund	15,459	684,364
Canada Healthy Communities Initiative	42,878	-
Gender Equality Program	146,000	51,000
Other grant revenue	<u>267,751</u>	<u>283,567</u>
	<u>\$ 1,187,859</u>	<u>\$1,867,878</u>

11. Grant and Flow-Through Gifts funds

The Grant and Flow-Through Gifts Funds include \$5,294,794 (2020 - \$4,427,117) in Flow-Through Gifts. This amount, together with all income earned thereon, may be granted out to charities registered under the Income Tax Act at any time. The Foundation has committed to distribute these grants as soon as possible following receipt of advice from donors, and for some funds within 60 days of the date of direction.

12. Capital fund

The Capital fund includes \$55,810 (2020 - \$60,700) in amortized capital assets and \$207,950 (2020 - \$151,463) as a reserve for future acquisition of capital assets.

13. Transfers

Transfers represent reallocations within the fund balances of the Foundation. Transfers from the Endowed Fund to the Grant and Flow-Through Gifts Funds are made to allow for future granting as defined by the Spending Policy of the Foundation and in accordance with Fundholder agreements. Grants may be designated from the Grant Fund to the Operating Fund or the Endowed Fund. Transfers from the Operating Fund to the Capital Fund are based on the annual budget, while transfers to or from the Stabilization Reserve Fund are based on the policy which governs that reserve.

Oakville Community Foundation

Notes to the financial statements

December 31, 2021

14. Commitments

Future minimum rental payments required under operating leases that have initial terms in excess of one year are:

2022	\$ 61,268
2023	<u>44,806</u>
	<u>\$ 106,074</u>

15. Income taxes

The Foundation is a registered charitable foundation and is therefore exempt from income taxes per section 149(1)(f) of the Income Tax Act.

In order to maintain its status as a registered charitable foundation under the Income Tax Act, the Foundation must meet certain requirements under the Income Tax Act.

16. Impacts of COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. Management continues to monitor eligibility for future government assistance. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position of the Foundation for future periods.