

# **Chilliwack Foundation**

Financial Statements

June 30, 2012



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## **INDEPENDENT AUDITORS' REPORT**

To the Directors

We have audited the accompanying financial statements of Chilliwack Foundation which comprise the statement of financial position as at June 30, 2012, the statements of operations, changes in cash flows and changes in net assets for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chilliwack Foundation as at June 30, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

### **Other matters**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Chilliwack Foundation taken as a whole. The supplementary information included in Schedules 1 and 2 is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Chartered Accountants

Chilliwack, B.C.

September 21, 2012

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# Chilliwack Foundation

## Statement of Operations

Year Ended June 30, 2012, with comparative figures for 2011

	Distributable Income Fund (Schedule 1)	Common Trust Fund (Schedule 2)	Total 2012	Total 2011
<b>Revenue</b>				
Interest and dividends	\$ 282,427	\$ -	\$ 282,427	\$ 261,763
Donations and bequests	-	4,799	4,799	262,499
Gain (loss) on sale of investments	-	(44,387)	(44,387)	(7,149)
	<u>282,427</u>	<u>(39,588)</u>	<u>242,839</u>	<u>517,113</u>
<b>Expenses</b>				
Administration	19,683	-	19,683	21,988
Program	2,604	-	2,604	1,811
Chilliwack Bruins	-	77,843	77,843	131,921
	<u>22,287</u>	<u>77,843</u>	<u>100,130</u>	<u>155,720</u>
<b>Excess Revenue over Expenses</b>	<u>\$ 260,140</u>	<u>\$ (117,431)</u>	<u>\$ 142,709</u>	<u>\$ 361,393</u>

See accompanying notes to financial statements.

# Chilliwick Foundation

## Statement of Changes in Net Assets

June 30, 2012, with comparative figures for 2011

	Distributable Income Fund	Common Trust Fund			2012 Total	2011 Total
		Contributed Principal	Excess of Revenue over Expenses	Cumulative unrealized gain (loss)		
Net assets, beginning of year	\$ 154,579	\$ 4,672,963	\$ 911,345	\$ 1,248,567	\$ 6,987,454	\$ 6,185,776
Excess of revenue over expenses	260,140	(73,044)	(44,387)	-	142,709	361,393
Realization of previously reported unrealized gains	-	-	73,734	(73,734)	-	-
Unrealized gain (loss) on available for sale financial assets	-	-	-	(67,196)	(67,196)	648,655
Awards and grants distributed (Note 6)	(258,644)	-	-	-	(258,644)	(208,370)
Net assets, end of year	156,075	4,599,919	940,692	1,107,637	6,804,323	6,987,454

# Chilliwack Foundation

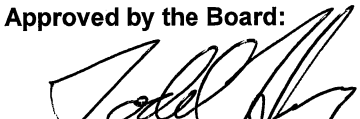
## Statement of Financial Position

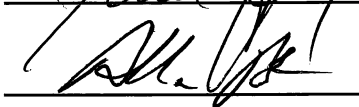
June 30, 2012, with comparative figures for 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 8,868	\$ 6,890
Accounts receivable	<u>1,362</u>	<u>1,165</u>
	10,230	8,055
<b>Investments at Market Value (Note 3)</b>	<u>6,877,687</u>	<u>6,991,449</u>
	<u>\$ 6,887,917</u>	<u>\$ 6,999,504</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 12,050	\$ 12,050
Distributions payable (Note 4)	<u>71,544</u>	<u>-</u>
	<u>83,594</u>	<u>12,050</u>
<b>Net Assets</b>		
Distributable income fund (Schedule 1)	156,075	154,579
Common trust fund (Schedule 2)	<u>6,648,248</u>	<u>6,832,875</u>
	<u>6,804,323</u>	<u>6,987,454</u>
	<u>\$ 6,887,917</u>	<u>\$ 6,999,504</u>
<b>Commitments (Note 5)</b>		

See accompanying notes to financial statements.

Approved by the Board:

  
 \_\_\_\_\_ Chairman

  
 \_\_\_\_\_ Treasurer

# Chilliwack Foundation

## Statement of Cash Flows

June 30, 2012, with comparative figures for 2011

	Distributable Income Fund	Common Trust Fund	2012	2011
<b>Cash provided by (used for) the following activities</b>				
<b>Operating Activities</b>				
Excess of revenues over expenses	\$ 260,140	\$ (117,431)	\$ 142,709	\$ 361,393
Loss on sale of investments	-	44,387	44,387	7,149
Decrease (increase) in accrued interest	20,820	-	20,820	(16,901)
Awards and grants distributed	<u>(258,644)</u>	<u>-</u>	<u>(258,644)</u>	<u>(208,370)</u>
	<u>22,316</u>	<u>(73,044)</u>	<u>(50,728)</u>	<u>143,271</u>
Changes in working capital accounts				
Accounts receivable	(194)	-	(194)	(743)
Accounts payable	<u>71,543</u>	<u>-</u>	<u>71,543</u>	<u>2,550</u>
	<u>71,349</u>	<u>-</u>	<u>71,349</u>	<u>1,807</u>
<b>Financing Activities</b>				
Interfund transfers	<u>(93,665)</u>	<u>93,665</u>	<u>-</u>	<u>-</u>
<b>Investing Activities</b>				
Purchase of long-term investments	-	(1,672,518)	(1,672,518)	(1,680,241)
Proceeds on disposal of long-term investments	<u>-</u>	<u>1,653,875</u>	<u>1,653,875</u>	<u>1,322,326</u>
	<u>-</u>	<u>(18,643)</u>	<u>(18,643)</u>	<u>(357,915)</u>
<b>Increase (decrease) in cash resources</b>	-	1,978	1,978	(212,837)
<b>Cash resources, beginning of year</b>	<u>-</u>	<u>6,890</u>	<u>6,890</u>	<u>219,727</u>
<b>Cash resources, end of year</b>	<u>\$ -</u>	<u>\$ 8,868</u>	<u>\$ 8,868</u>	<u>\$ 6,890</u>

## **Chilliwack Foundation**

### **Notes to the Financial Statements**

June 30, 2012

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#### **1. Purpose of Chilliwack Foundation**

The Chilliwack Foundation was created by an Act of the British Columbia provincial legislature on June 28, 1985. This perpetual body was created to receive donations in trust so that the net annual income from such donations would be devoted perpetually to charitable purposes, principally within or near the boundaries of the former Regional District of Fraser-Cheam (as defined within the Act), in British Columbia.

#### **2. Accounting Policies**

The following accounting policies used by the Foundation are stated below to assist in understanding the financial statements.

##### **General**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

##### **Fund Accounting**

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

##### **Common Trust Fund**

The Common Trust Fund comprises those assets contributed for perpetual management by the Foundation. The contributions within the fund are further segregated into a general or specific fund category according to the terms of the donor. The Foundation exercises discretionary investment control within guidelines established by the Board of Directors.

##### **Distributable Income Fund**

The Distributable Income Fund accounts for all revenue, expenses and net assets of the Foundation which are available for distribution within the guidelines of the Foundation.

##### **Contributions and Distributions**

Contributions are recognized upon receipt as revenue within the Common Trust Fund. Distributions are recognized as reductions to the Distributable Income Fund when paid by the Foundation.

## Chilliwack Foundation

### Notes to the Financial Statements

June 30, 2012

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#### 2. Accounting policies (*Continued*)

##### Investments and Investment Income

Investments are valued at current market prices on the last day of the fiscal year. Unrealized gains or losses arising from the revaluation of investments to current market prices are recognized as a separate component of net assets. Realized gains or losses arising from investment transactions are reflected in the Common Trust Fund. The Foundation has entered into a pooled investment arrangement whereby investment income is allocated between general and specifically donated funds, held within the Common Trust Fund, based on the average net asset balance during the year.

Non-publicly traded investments are recorded at cost for one year from the date the investment is made unless there is a transaction within that year which established a different value for the investment or there is a significant change within that year in the Foundation's expectations. After one year from the date of the investment, non-publicly traded investments are recorded at market value, based upon reliable and objective evidence of value.

Market value for non-publicly traded investments is determined on the basis of generally accepted valuation methods which best and most objectively reflect the expected value that would be agreed upon in an open and unrestricted market between fully informed, knowledgeable and willing parties dealing at arm's length and without constraints.

The process of valuing investments from which no public market exists is inevitably based on inherent uncertainties and the resulting values that would have been used had a ready market existed for the investments. These differences could be material to the fair value of the investment portfolio.

##### Revenue Recognition

Contributions are recognized on the earlier of when they are received or when the deeds of gift have been approved.

Bequests are recorded upon receipt of the donated assets. Bequests in a form other than cash or marketable securities are recorded at fair value as determined by the Board.

Interest on bonds, debentures and short-term notes is recorded using the accrual basis. Dividends which have been declared are recorded as income on the last date of record set for the dividend. Interest and dividends are recorded as revenue in the Distributable Income Fund.

##### Operating Expenses

Administration and program expenses are recorded using the accrual basis.



## Chilliwack Foundation

### Notes to the Financial Statements

June 30, 2012

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#### 2. Accounting policies (Continued)

##### Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### Financial Instruments

The Foundation has classified the following financial assets as available-for-sale: investments in government bonds and equity investments. These assets are initially recognized at their fair value, determined by published price quotations in an active market. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs directly attributable to their acquisition are included in the fair value cost of these assets, while transaction costs arising from their disposal are immediately recognized in income.

Available-for-sale financial assets are subsequently measured at their fair value. Investments in equity instruments that do not have a quoted market price in an active market are measured at cost. Gains and losses arising from changes in fair value, except for impairment losses and foreign exchange translation adjustments, are recognized in Net Assets until the financial asset is sold or otherwise derecognized. Upon derecognition, the cumulative gain or loss previously recognized in Net Assets is transferred to net income.

##### Recent accounting pronouncements

In October 2010, the Accounting Standards Board (AcSB) approved the accounting standards for private sector not-for-profit organizations (NFPOs) to be included in Part III of the CICA Handbook-Accounting ("Handbook"). Part III will comprise:

- The existing "4400 series" of standards dealing with the unique circumstances of NFPOs, currently in Part V of the Handbook; and
- The new accounting standards for private enterprises in Part II of the Handbook, to the extent that they would apply to NFPOs.

Effective for fiscal years beginning on or after January 1, 2012, private sector NFPOs will have the option to adopt either Part III of the Handbook or International Financial Reporting Standards (IFRS). Earlier adoption is permitted. The Foundation expects to adopt Part III of the Handbook as its new financial reporting standards. The Foundation has not yet determined the impact of the adoption of Part III of the Handbook on its financial statements.

## Chilliwack Foundation

### Notes to the Financial Statements

June 30, 2012

#### 3. Financial instruments

The Foundation as part of its operations carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

##### Fair Value of Financial Instruments

The fair value of the Foundations financial instruments has been summarized below:

	2012		2011	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
<b>Financial assets</b>				
<b><i>Held for Trading</i></b>				
Cash and cash equivalents	\$ 8,868	\$ 8,868	\$ 6,890	\$ 6,890
<b><i>Available for Sale</i></b>				
Fixed Income	2,278,496	2,280,123	2,433,227	2,420,054
Equities	<u>3,491,612</u>	<u>4,597,564</u>	<u>3,309,653</u>	<u>4,571,395</u>
	5,770,108	6,877,687	5,742,880	6,991,449
<b>Financial liabilities</b>				
<b><i>Other financial liabilities</i></b>				
Accounts Payable and accruals	83,594	83,594	12,050	12,050

##### Financial Assets

###### *Held for Trading*

Cash and cash equivalents are recorded at their fair value, which is approximated by their initial carrying value, due to their short term nature.

###### *Available for Sale*

Except for investments in equity instruments for which a quoted market price is not available, which are recorded at cost, investments are recorded at their fair value. Fair value is determined by reference to published price quotations in an active market.

##### Financial Liabilities

###### *Other Financial Liabilities*

Accounts payable and accruals are recorded at their fair value, which is approximated by their initial carrying value, due to their short term nature.

## **Chilliwack Foundation**

### **Notes to the Financial Statements**

June 30, 2012

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#### **4. Disbursements payable**

The Distribution Committee approved disbursements of \$71,544 on June 7th, 2012 with payments issued on July 17, 2012.

#### **5. Commitments**

The Foundation has committed to scholarships, awards and grants totaling \$139,681 at June 30, 2012. Payment of these awards and grants are conditional on the recipients meeting certain criteria and providing certain supporting information.

On June 3rd, 2010 the Foundation committed to distribute from the general fund a further total of \$100,000 to the Chilliwack General Hospital by December 31, 2014. Of this commitment, \$75,000 is remaining at June 30, 2012.

## Chilliwack Foundation

### Notes to the Financial Statements

June 30, 2012

#### 6. Awards and Grants Distributed

Grants and distributions were made as follows:

	<u>2012</u>	<u>2011</u>
<b>General fund</b>		
147 Airwolf Air Cadets Parent Association	\$ 4,000	\$ 3,000
Ann Davis Transition Society	1,000	-
Canadian Red Cross Society	-	5,155
City of Chilliwack - Chilliwack Arts & Cultural Centre	14,538	3,398
Chilliwack Academy of Music	-	12,250
Chilliwack Community Services	9,000	-
Chilliwack Animal Safe Haven	7,700	-
Chilliwack Museum & Archives	-	8,088
Chilliwack School of Performing Arts	-	2,680
Chilliwack Symphony Orchestra	-	15,000
Chilliwack Players Guild	5,000	-
Chilliwack Resource Centre	10,000	3,500
Chilliwack Restorative Action and Youth Advocacy Association	-	1,800
Fraser Valley Brain Injury Association	1,500	-
Fraser Valley Health Care Foundation	25,000	12,500
Mennonite Central Community Church	1,000	-
Salvation Army	15,000	10,088
School District #33	5,746	-
School District #33 - A.D. Rundle Middle	-	5,000
School District #33 - Little Mountain Elementary	9,000	-
School District #33 - Greendale Elementary	4,648	-
University of the Fraser Valley	10,000	-
	<u>123,132</u>	<u>82,459</u>
<b>Specific funds</b>		
F. Clifford Brown Memorial Scholarship	18,130	21,600
UFV - Betty Urquhart Fund	-	700
Chilliwack Community Services	21,349	21,742
UFV Scholarships and Bursaries	20,985	21,371
Chilliwack Museum and Historical Society Fund	9,703	9,881
Chilliwack Society for Community Living	2,430	2,474
The Bowes Education Fund	1,300	1,800
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	2,000	3,800
B.C. Summer Games Legacy Fund:		
Educational Awards	3,000	4,000
Culture/Arts Awards	4,198	3,518
Sports/Recreation Awards	11,197	2,495
Luscombe/Von Bylburg Memorial Scholarship Fund	2,350	1,650
Chilliwack Restorative Action and Youth Advocacy Association Fund	2,452	2,465
Jack Williams Memorial Fund:		
Educational Awards	2,400	5,800
Culture/Arts Awards	1,788	1,501
Sports/Recreation Awards	1,766	1,505
Chris and Ken Jessiman Endowment Fund	5,619	5,722
Dr. Anne and Sam Sussell Scholarship Endowment Fund	1,300	1,300
Hospice Society	968	986
Chilliwack General Hospital Memorial Fund	13,066	5,289
Frank George Memorial Scholarship Fund	700	1,450
John & Joy Helder's Performing Arts Scholarship Fund	6,000	2,000
St. Thomas Anglican Youth Ministry Fund	2,811	2,862
	<u>135,512</u>	<u>125,911</u>
	<u>\$ 258,644</u>	<u>\$ 208,370</u>

# Chilliwick Foundation

Schedule 1 - Distributable Income Fund Continuity  
For the year ended June 30, 2012

	Net Assets As at June 30, 2011	Interest and Dividend Income	Awards and Grants Distributed	Administrative and Program Expenses	Net Assets As at June 30, 2012
<b>General Funds</b>	\$ 15,664	\$ 121,410	\$ (123,134)	\$ (9,343)	\$ 4,597
<b>Specific Funds</b>					
F. Clifford Brown Memorial Scholarship Fund	23,380	23,425	(18,130)	(1,820)	26,855
Chilliwick Community Services	21,349	24,979	(21,349)	(1,941)	23,038
UCFV Scholarships and Bursaries	20,985	24,553	(20,985)	(1,908)	22,645
Chilliwick Society for Community Living	2,430	2,843	(2,430)	(221)	2,622
The Bowes Education Fund	3,108	2,467	(1,300)	(193)	4,082
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	2,202	2,573	(2,000)	(200)	2,575
B.C. Summer Games Legacy Fund:					
Education Awards	5,083	4,864	(3,000)	(380)	6,567
Culture/Arts Awards	126	4,659	(4,198)	(354)	234
Sports/Recreation Awards	4,128	8,182	(11,197)	(616)	497
Luscombe/Von Bylburg Memorial Scholarship Fund	3,624	2,220	(2,350)	(172)	3,321
Jack Williams Memorial Fund:					
Education Awards	3,532	4,078	(2,400)	(318)	4,892
Culture/Arts Awards	54	1,984	(1,788)	(151)	100
Sports/Recreation Awards	54	1,946	(1,766)	(149)	85
Chris and Ken Jessiman Endowment Fund	5,619	6,575	(5,619)	(511)	6,064
Chilliwick Restorative Justice and Youth Diversion Assoc.	2,452	2,870	(2,452)	(223)	2,647
Anne and Sam Sussell Scholarship Endowment Fund	947	1,496	(1,300)	(115)	1,027
Hospice Society	968	1,132	(968)	(88)	1,044
Helders Scholarship Fund	11,034	4,619	(6,000)	(355)	9,297
Frank George Memorial	1,471	1,389	(700)	(109)	2,051
Chilliwick General Hospital Memorial Fund	13,066	18,135	(13,066)	(1,417)	16,718
St. Thomas Anglican Youth Ministry Fund	2,811	3,289	(2,811)	(256)	3,033
Chilliwick Museum and Historical Soc. Fund	9,703	11,353	(9,703)	(882)	10,470
Don Urquhart McGillvary fund	791	892	-	(70)	1,612
Chilliwick Bruins	-	496	-	(496)	-
	\$ 154,579	\$ 282,427	\$ (258,644)	\$ (22,287)	\$ 156,075

# Chilliwick Foundation

## Schedule 2 - Common Trust Fund Continuity

For the year ended June 30, 2012

	Contributed Principal as at June 30, 2012	Net Assets as at June 30, 2011	Donations Bequests and Contributions	Awards and Payments	Gain (Loss) on Sale of Investments	Unrealized Gain (Loss) on Investments	Net Assets As at June 30, 2012
<b>General Funds</b>	\$ 2,100,991	\$ 2,957,918	\$ 3,205	\$ -	\$ (19,036)	\$ (28,818)	\$ 2,913,269
<b>Specific Funds</b>							
F. Clifford Brown Memorial Scholarship Fund	289,771	550,623	-	-	(3,703)	(5,611)	541,310
Chilliwick Community Services	409,937	592,974	-	-	(3,944)	(5,985)	583,045
UCFV Scholarships and Bursaries	400,069	582,859	-	-	(3,877)	(5,883)	573,099
Chilliwick Society for Community Living	40,000	67,482	-	-	(449)	(681)	66,352
The Bowes Education Fund	25,000	57,214	-	-	(389)	(596)	56,229
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	30,500	61,013	-	-	(406)	(618)	59,989
B.C. Summer Games Legacy Fund:							
Education Awards	50,000	113,948	-	-	(768)	(1,171)	112,009
Culture/Arts Awards	50,000	112,008	-	-	(733)	(1,090)	110,185
Sports/Recreation Awards	86,693	194,877	-	-	(1,300)	(1,898)	191,679
Luscombe/Von Bylburg Memorial Scholarship Fund	23,776	51,206	-	-	(351)	(530)	50,326
Jack Williams Memorial Fund:							
Education Awards	45,000	96,090	-	-	(643)	(981)	94,466
Culture/Arts Awards	22,500	47,700	-	-	(312)	(464)	46,923
Sports/Recreation Awards	22,500	47,112	-	-	(308)	(458)	46,345
Chris and Ken Jessiman Endowment Fund	100,000	156,071	-	-	(1,038)	(1,575)	153,458
Chilliwick Restorative Justice and Youth Diversion Assoc.	50,571	68,120	-	-	(453)	(688)	66,980
Anne and Sam Sussell Scholarship Endowment Fund	26,865	35,552	-	-	(236)	(355)	34,961
Hospice Society	21,583	26,877	-	-	(179)	(271)	26,427
Helders Scholarship Fund	85,000	103,399	-	-	(731)	(1,095)	101,573
Frank George Memorial	25,000	32,418	-	-	(219)	(335)	31,864
Chilliwick General Hospital Memorial Fund	374,162	431,338	1,594	-	(2,861)	(4,369)	425,702
St. Thomas Anglican Youth Ministry Fund	60,000	78,067	-	-	(519)	(788)	76,759
Chilliwick Museum and Historical Soc. Fund	240,000	289,496	-	-	(1,792)	(2,720)	284,984
Don Urquhart McGillvary fund	20,000	20,671	-	-	(140)	(217)	20,314
Chilliwick Bruins	-	77,843	-	(77,843)	-	-	-
	\$ 4,599,919	\$ 6,832,875	\$ 4,799	\$ (77,843)	\$ (44,387)	\$ (67,196)	\$ 6,648,248