

**Chilliwack Foundation**  
**Financial Statements**  
*June 30, 2017*



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## INDEPENDENT AUDITORS' REPORT

To the Directors of Chilliwack Foundation

We have audited the accompanying financial statements of Chilliwack Foundation which comprise the statement of financial position as at June 30, 2017, the statements of operations, changes in net assets and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on 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 the audit to obtain reasonable assurance about whether 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.



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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, 2017, and its results of operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

Chartered Professional Accountants

October 13, 2017  
Chilliwack, Canada

# Chilliwack Foundation Statement of Financial Position

As at June 30, 2017

	2017	2016
<b>Assets</b>		
<b>Current</b>		
Cash	40,378	11,047
Accounts receivable	516	658
	40,894	11,705
<b>Investments (Note 4)</b>	9,533,407	9,131,325
	9,574,301	9,143,030
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	93,734	13,900
<b>Net Assets</b>		
Common Trust Fund (Schedule 1)	9,300,609	8,947,903
Distributable Income Fund (Schedule 2)	179,958	181,227
	9,480,567	9,129,130
	9,574,301	9,143,030

Approved on behalf of the Board

Original Signed by Nigel Lennie

Chair

Original Signed by Peter Dombowsky

Treasurer

The accompanying notes are an integral part of these financial statements

**Chilliwack Foundation**  
**Statement of Operations**  
*For the year ended June 30, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Donations	<b>26,559</b>	923,810
Interest and dividends	<b>315,991</b>	293,267
Gain (loss) on sale of investments	<b>41,196</b>	(14,117)
Increase in fair value of investments	<b>464,951</b>	43,316
	<b>848,697</b>	1,246,276
<b>Expenses</b>		
Administration	<b>22,554</b>	24,419
Awards and grants - designated funds <i>(Note 5)</i>	<b>152,552</b>	141,582
Awards and grants - undesignated funds <i>(Note 6)</i>	<b>142,154</b>	127,039
Disbursement from contributed principal <i>(Note 7)</i>	<b>180,000</b>	-
	<b>497,260</b>	293,040
<b>Excess of revenue over expenses</b>	<b>351,437</b>	953,236

*The accompanying notes are an integral part of these financial statements*

**Chilliwack Foundation**  
**Statement of Changes in Net Assets**  
*For the year ended June 30, 2017*

	<i>Common Trust Fund (Schedule 1)</i>	<i>Distributable Income Fund (Schedule 2)</i>	<i>2017</i>	<i>2016</i>
<b>Net assets, beginning of year</b>	<b>8,947,903</b>	<b>181,227</b>	<b>9,129,130</b>	<b>8,175,894</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>352,706</b>	<b>(1,269)</b>	<b>351,437</b>	<b>953,236</b>
<b>Net assets, end of year</b>	<b>9,300,609</b>	<b>179,958</b>	<b>9,480,567</b>	<b>9,129,130</b>

*The accompanying notes are an integral part of these financial statements*

**Chilliwack Foundation**  
**Statement of Cash Flows**  
*For the year ended June 30, 2017*

	<b>2017</b>	<b>2016</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	351,437	953,236
Change in fair value of investments	(464,951)	(43,316)
(Gain) loss on sale of investments	(41,196)	14,117
Decrease in accrued interest	2,080	6,782
Return of capital on investments	2,445	5,184
Reinvested interest	(8,641)	(7,031)
	<b>(158,826)</b>	928,972
Changes in working capital accounts		
Accounts receivable	143	(423)
Accounts payable and accruals	79,834	(4,101)
	<b>(78,849)</b>	924,448
<b>Investing</b>		
Purchase of investments	(970,456)	(2,437,966)
Proceeds on disposal of investments	1,078,636	1,502,700
	<b>108,180</b>	(935,266)
<b>Increase (decrease) in cash resources</b>	<b>29,331</b>	<b>(10,818)</b>
<b>Cash resources, beginning of year</b>	<b>11,047</b>	<b>21,865</b>
<b>Cash resources, end of year</b>	<b>40,378</b>	<b>11,047</b>

*The accompanying notes are an integral part of these financial statements*

**1. Incorporation and nature of the organization**

The Chilliwack Foundation (the "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. Significant accounting policies**

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

***Basis of presentation***

These financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

***Fund accounting***

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

**General Funds:**

There is no activity in the General Fund and therefore it is not disclosed in the financial statements.

**Restricted Funds:**

The Common Trust Fund comprises of those assets contributed for perpetual management by the Foundation. The contributions within the fund are further segregated into an undesignated 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.

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.

***Investments***

Investments are valued at current market prices on the last day of the fiscal year. Gains or losses arising from investment transactions, including the revaluation of investments to current market prices, 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.

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.



**2. Significant accounting policies** *(Continued from previous page)*

***Financial instruments***

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The Foundation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

***Measurement uncertainty (use of estimates)***

These 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 and disclosure of contingent 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 those estimates.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

**3. Commitments**

The Foundation has committed to scholarships, awards and grants totaling \$139,062 at June 30, 2017 (2016 - \$146,351). Payment of these awards and grants are conditional on the recipients meeting certain criteria and providing certain supporting information.

**Chilliwack Foundation**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2017*

**4. 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, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

	2017		2016	
	Cost	Market Value	Cost	Market Value
<b>Financial assets</b>				
Cash and cash equivalents	\$ 40,378	\$ 40,378	\$ 11,047	\$ 11,047
Fixed income	437,793	382,192	667,899	610,477
Equities	6,817,118	9,151,215	6,480,591	8,520,848
	<u>7,254,911</u>	<u>9,533,407</u>	<u>7,148,490</u>	<u>9,131,325</u>
	<u>7,295,289</u>	<u>9,573,785</u>	<u>7,159,537</u>	<u>9,142,372</u>

**5. Awards and Grants Distributed - Designated Funds**

	2017	2016
F. Clifford Brown Memorial Scholarship	20,100	23,100
Donald Urquhart McGillvary Fund	-	750
Chilliwack Community Services	22,213	21,252
UFV Scholarships and Bursaries	21,670	20,739
Chilliwack Museum and Historical Society Fund	10,021	9,588
Chilliwack Society for Community Living	2,509	2,401
The Bowes Education Fund	1,400	2,400
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	4,200	1,200
B.C. Summer Games Legacy Fund:		
Educational Awards	6,000	6,000
Culture/Arts Awards	6,056	1,732
Sports/Recreation Awards	6,100	6,965
Luscombe/Von Bylburg Memorial Scholarship Fund	1,850	1,300
Chilliwack Restorative Justice and Youth Advocacy Association Fund	2,533	2,424
Jack Williams Memorial Fund:		
Educational Awards	3,800	3,600
Culture/Arts Awards	3,500	-
Sports/Recreation Awards	-	1,702
Chris and Ken Jessiman Endowment Fund	6,215	5,942
Dr. Anne and Sam Sussell Scholarship Endowment Fund	1,000	1,190
Hospice Society	999	956
Chilliwack General Hospital Memorial Fund	16,098	15,404
Frank George Memorial Scholarship Fund	-	1,600
John & Joy Helder's Performing Arts Scholarship Fund	5,215	7,000
St. Thomas Anglican Youth Ministry Fund	2,903	2,777
Frances G. Thomas Memorial Fund	8,170	1,560
	<u>152,552</u>	<u>141,582</u>

**Chilliwack Foundation**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2017*

**6. Awards and Grants Distributed - Undesignated Funds**

	2017	2016
Anne Davis Transition Society	9,769	1,000
Cascade Christian School	-	3,000
Chilliwack Academy of Music	-	7,000
Chilliwack Animal Safe Haven Society	3,500	2,100
Chilliwack Arts & Cultural Centre Society	16,808	7,638
Chilliwack Bowls for Hope	-	13,000
Chilliwack Community Services	-	3,300
Chilliwack Hospice Society	-	1,143
Chilliwack Hospital Foundation	-	15,000
Chilliwack Housing for Homeless	10,000	10,000
Chilliwack Museum & Historical Society	21,729	5,000
Chilliwack Opportunity Society	5,000	-
Chilliwack School of Performing Arts	1,096	9,124
Chilliwack Senior Veterans Society	16,688	10,000
Chilliwack Wheelchair Sports Club	-	3,334
Cyrus Centre	15,064	-
Fraser Valley Child Development Centre	-	3,000
Great Blue Heron Nature Reserve Society	10,000	-
Justice Institute of BC	-	5,600
Pacific Community Resources Society	-	10,000
Salvation Army	20,000	-
Sardis Doorway	2,500	1,000
School District #33 - Rosedale Traditional School	-	7,500
Scouts Canada Fairfield	-	3,200
Special Olympics Chilliwack	-	4,100
Veterans Memorial Rest Society	-	2,000
Yarrow Volunteer Society	10,000	-
	<b>142,154</b>	<b>127,039</b>

**7. Disbursement from contributed principal**

During the year, a one-time disbursement was made from the contributed principal of a designated fund in accordance with a will variation approved by the executor and the beneficiary of the estate that established the fund.

## Chilliwack Foundation

Schedule 1 - Common Trust Fund Continuity  
For the year ended June 30, 2017

	<b>Contributed Principal as at June 30, 2017</b>	Net Assets as at June 30, 2016	Donations Bequests and Contributions	Disbursements and Payments	Gain on Sale of Investments	Unrealized Gain on Investments	Excess (Deficiency) of Revenue over Expenses	<b>Net Assets As at June 30, 2017</b>
<b>General Funds</b>	<b>\$ 3,108,355</b>	\$ 4,330,832	\$ 26,559	\$ -	\$ 20,120	\$ 226,709	\$ 273,388	<b>\$ 4,604,219</b>
<b>Specific Funds</b>								
F. Clifford Brown Memorial Scholarship Fund	289,771	623,825	-	-	2,992	33,637	36,629	660,454
Chilliwack Community Services	414,937	675,975	-	-	3,209	36,193	39,402	715,377
UFV Scholarships and Bursaries	400,069	659,525	-	-	3,131	35,310	38,441	697,966
Chilliwack Society for Community Living	40,000	76,358	-	-	363	4,088	4,451	80,809
The Bowes Education Fund	25,000	64,910	-	-	313	3,523	3,836	68,746
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	30,500	69,272	-	-	336	3,805	4,142	73,414
B.C. Summer Games Legacy Fund:								
Education Awards	50,000	129,446	-	-	621	7,015	7,636	137,081
Culture/Arts Awards	50,000	126,263	-	-	593	6,572	7,165	133,428
Sports/Recreation Awards	86,693	219,622	-	-	1,048	11,455	12,503	232,125
Luscombe/Von Bylburg Memorial Scholarship Fund	23,776	58,000	-	-	283	3,151	3,434	61,434
Jack Williams Memorial Fund:								
Education Awards	45,000	108,942	-	-	519	5,855	6,374	115,317
Culture/Arts Awards	22,500	53,783	-	-	266	2,804	3,069	56,851
Sports/Recreation Awards	22,500	53,103	-	-	254	2,847	3,100	56,203
Chris and Ken Jessiman Endowment Fund	110,000	188,100	-	-	893	10,071	10,964	199,064
Chilliwack Restorative Justice and Youth Advocacy Assoc.	50,571	77,080	-	-	366	4,127	4,493	81,573
Anne and Sam Sussell Scholarship Endowment Fund	26,865	40,188	-	-	196	2,212	2,408	42,596
Hospice Society	21,583	30,413	-	-	144	1,628	1,773	32,186
Helders Scholarship Fund	85,000	117,542	-	-	566	6,398	6,964	124,507
Frank George Memorial	25,000	36,953	-	-	188	2,105	2,292	39,246
Chilliwack General Hospital Memorial Fund	374,162	489,899	-	-	2,326	26,233	28,559	518,458
St. Thomas Anglican Youth Ministry Fund	60,000	88,335	-	-	419	4,730	5,149	93,484
Chilliwack Museum and Historical Soc. Fund	240,000	304,944	-	-	1,448	16,327	17,775	322,719
Don Urquhart McGillvary fund	20,000	23,399	-	-	120	1,341	1,461	24,860
Frances and Charles Thomas Scholarship Fund	50,000	50,051	-	-	254	2,851	3,105	53,156
Frances G. Thomas Memorial Fund	70,000	251,143	-	(180,000)	228	3,965	(175,807)	75,336
	<b>\$ 5,742,284</b>	\$ 8,947,903	\$ 26,559	\$ (180,000)	\$ 41,196	\$ 464,951	\$ 352,706	<b>\$ 9,300,609</b>

**Chilliwack Foundation**

## Schedule 2 - Distributable Income Fund Continuity

For the year ended June 30, 2017

	Net Assets As at June 30, 2016	Interest and Dividend Income	Awards and Grants Distributed	Administrative and Program Expenses	Excess (Deficiency) of Revenue over Expenses	Net Assets As at June 30, 2017
<b>General Funds</b>	\$ 19,285	\$ 152,344	\$ (142,154)	\$ (10,997)	\$ (807)	\$ 18,478
<b>Specific Funds</b>						
F. Clifford Brown Memorial Scholarship Fund	24,553	22,606	(20,100)	(1,632)	874	25,427
Chilliwack Community Services	22,213	24,362	(22,213)	(1,756)	393	22,606
UFV Scholarships and Bursaries	21,670	23,729	(21,670)	(1,713)	346	22,017
Chilliwack Society for Community Living	2,509	2,752	(2,509)	(198)	44	2,554
The Bowes Education Fund	2,290	2,368	(1,400)	(171)	797	3,087
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	5,997	2,568	(4,200)	(185)	(1,816)	4,181
B.C. Summer Games Legacy Fund:						
Education Awards	7,535	4,758	(6,000)	(340)	(1,582)	5,953
Culture/Arts Awards	2,443	4,509	(6,056)	(319)	(1,865)	578
Sports/Recreation Awards	269	7,829	(6,100)	(556)	1,174	1,443
Luscombe/Von Bylburg Memorial Scholarship Fund	2,704	2,124	(1,850)	(153)	121	2,825
Jack Williams Memorial Fund:						
Education Awards	4,227	3,931	(3,800)	(284)	(153)	4,074
Culture/Arts Awards	1,965	1,985	(3,500)	(136)	(1,651)	313
Sports/Recreation Awards	84	1,894	-	(138)	1,756	1,839
Chris and Ken Jessiman Endowment Fund	6,215	6,779	(6,215)	(489)	76	6,291
Chilliwack Restorative Justice and Youth Advocacy Assoc.	2,533	2,778	(2,533)	(200)	45	2,578
Anne and Sam Sussell Scholarship Endowment Fund	2,122	1,486	(1,000)	(107)	379	2,500
Hospice Society	999	1,096	(999)	(79)	18	1,017
Helders Scholarship Fund	7,160	4,315	(5,215)	(310)	(1,210)	5,950
Frank George Memorial	2,374	1,400	-	(102)	1,298	3,673
Chilliwack General Hospital Memorial Fund	16,098	17,710	(16,098)	(1,272)	339	16,438
St. Thomas Anglican Youth Ministry Fund	2,903	3,184	(2,903)	(229)	51	2,954
Chilliwack Museum and Historical Soc. Fund	10,021	10,990	(10,021)	(792)	177	10,198
Don Urquhart McGillvary fund	1,666	892	-	(65)	827	2,493
Frances and Charles Thomas Scholarship Fund	3,222	1,897	-	(138)	1,758	4,981
Frances G. Thomas Memorial Fund	8,170	5,703	(8,170)	(192)	(2,659)	5,511
	\$ 181,227	\$ 315,991	\$ (294,707)	\$ (22,554)	\$ (1,269)	\$ 179,958