

Chilliwack Foundation
Financial Statements
June 30, 2019



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INDEPENDENT AUDITORS' REPORT

To the Directors of Chilliwack Foundation

Opinion

We have audited the financial statements of Chilliwack Foundation (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2019
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- 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.

KPMG LLP

Chartered Professional Accountants

Chilliwack, Canada
October 16, 2019

Chilliwack Foundation
Statement of Financial Position
As at June 30, 2019

	2019	2018
Assets		
Current		
Cash	80,894	-
Accounts receivable	637	542
	81,531	542
Investments (Note 4)	9,841,185	9,509,108
	9,922,716	9,509,650
Liabilities		
Current		
Bank indebtedness	-	39,061
Accounts payable and accruals	23,738	18,038
	23,738	57,099
Net Assets		
Common Trust Fund (Schedule 1)	9,706,757	9,276,810
Distributable Income Fund (Schedule 2)	192,221	175,741
	9,898,978	9,452,551
	9,922,716	9,509,650

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, 2019

	2019	2018
Revenue		
Donations	46,640	57,739
Interest and dividends	330,773	301,684
Gain (loss) on sale of investments	(2,177)	(5,792)
Increase (decrease) in fair value of investments	385,484	(75,746)
	760,720	277,885
Expenses		
Administration	33,399	29,983
Awards and grants - designated funds <i>(Note 5)</i>	138,044	146,574
Awards and grants - undesignated funds <i>(Note 6)</i>	142,850	129,344
	314,293	305,901
Excess (deficiency) of revenue over expenses	446,427	(28,016)

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, 2019

	<i>Common Trust Fund (Schedule 1)</i>	<i>Distributable Income Fund (Schedule 2)</i>	2019	2018
Net assets, beginning of year	9,276,810	175,741	9,452,551	9,480,567
Excess (deficiency) of revenue over expenses	429,947	16,480	446,427	(28,016)
Net assets, end of year	9,706,757	192,221	9,898,978	9,452,551

The accompanying notes are an integral part of these financial statements

Chilliwack Foundation
Statement of Cash Flows
For the year ended June 30, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	446,427	(28,016)
Change in fair value of investments	(385,484)	75,746
(Gain) loss on sale of investments	2,177	5,792
Decrease in accrued interest	-	1,400
Return of capital on investments	5,579	6,492
Reinvested interest	(20,850)	(11,232)
	47,849	50,182
Changes in working capital accounts		
Accounts receivable	(95)	(26)
Accounts payable and accruals	5,699	(75,695)
	53,453	(25,539)
Investing		
Purchase of investments	(848,420)	(782,372)
Proceeds on disposal of investments	914,922	728,472
	66,502	(53,900)
Increase (decrease) in cash resources	119,955	(79,439)
Cash resources (deficiency), beginning of year	(39,061)	40,378
Cash resources, end of year	80,894	(39,061)

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

The Organization 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)

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 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 \$148,127 at June 30, 2019 (2018 - \$145,408). 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, 2019

4. Financial instruments

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

	2019		2018	
	Cost	Market Value	Cost	Market Value
Financial assets				
Cash and cash equivalents	\$ 80,894	\$ 80,894	\$ (39,061)	\$ (39,061)
Fixed income	1,570,415	1,571,849	1,664,210	1,665,645
Equities	5,803,158	8,269,336	5,593,040	7,843,463
	<u>7,373,573</u>	<u>9,841,185</u>	<u>7,257,250</u>	<u>9,509,108</u>
	<u>7,454,467</u>	<u>9,922,079</u>	<u>7,218,189</u>	<u>9,470,047</u>

5. Awards and Grants Distributed - Designated Funds

	2019	2018
F. Clifford Brown Memorial Scholarship	21,600	16,703
Donald Urquhart McGillvary Fund	3,150	-
Chilliwack Community Services	20,949	22,606
UFV Scholarships and Bursaries	20,400	22,017
Chilliwack Museum and Historical Society Fund	9,450	10,198
Chilliwack Society for Community Living	2,366	2,554
The Bowes Education Fund	3,000	2,650
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	3,000	3,000
B.C. Summer Games Legacy Fund:		
Educational Awards	4,000	4,000
Culture/Arts Awards	516	4,257
Sports/Recreation Awards	4,439	7,843
Luscombe/Von Bylburg Memorial Scholarship Fund	1,500	1,800
Chilliwack Restorative Justice and Youth Advocacy Association Fund	2,397	2,578
Jack Williams Memorial Fund:		
Educational Awards	2,000	3,000
Culture/Arts Awards	1,900	1,624
Sports/Recreation Awards	1,628	3,383
Chris and Ken Jessiman Endowment Fund	5,890	6,241
Dr. Anne Sussel Science Scholarship Fund	1,500	2,000
Hospice Society	945	1,017
Chilliwack General Hospital Memorial Fund	15,183	16,438
Frank George Memorial Scholarship Fund	2,000	1,200
John & Joy Helders Performing Arts Scholarship Fund	2,250	3,000
St. Thomas Anglican Youth Ministry Fund	2,737	2,954
Frances G. Thomas Memorial Fund	2,244	5,511
F.C. Thomas Scholarship Fund	3,000	-
	<u>138,044</u>	<u>146,574</u>

Chilliwack Foundation
Notes to the Financial Statements
For the year ended June 30, 2019

6. Awards and Grants Distributed - Undesignated Funds

	2019	2018
Anne Davis Transition Society	-	10,000
Atchelitz Thresherman's Association	4,089	10,500
Chilliwack Arts & Cultural Centre Society	3,349	-
Chilliwack Bowls for Hope	6,937	7,500
Chilliwack Arts and Cultural Centre Society	4,030	-
Chilliwack Community Services	4,014	-
Chilliwack Hospice Society	2,000	-
Chilliwack Housing for Homeless	-	10,000
Chilliwack Museum & Historical Society	5,200	-
Chilliwack Park Society	3,400	-
Chilliwack Restorative Justice and Youth Advocacy Association	1,000	-
Chilliwack Search & Rescue	10,000	10,000
Chilliwack Supportive Housing	-	15,000
Chilliwack Symphony Orchestra	3,248	-
CFB Chilliwack Historical Society	2,535	-
Federation of B.C. Naturalists	-	2,345
Fraser Valley Health Care Foundation	10,000	-
Fraser Valley Mountain Bikers Association	8,948	-
Heritage Chilliwack Society	-	1,500
Illusions Gymnastic Society	2,300	-
Justice Institute of BC	-	6,900
PEARL Life Renewal Society	5,000	-
Rotary Club of Chilliwack	-	15,000
Salvation Army	10,300	-
School District #33 - Promontory Heights Elementary School	10,000	-
School District #33 - Yarrow Community School	6,000	-
Scouts Canada	-	18,083
Spirit Abreast Dragon Boat	-	899
Victoria Quilts Canada - Chilliwack	2,500	-
Xolhemet Society - Wilma's Transition House	13,000	-
YMCA of Greater Vancouver - Chilliwack	25,000	21,617
	142,850	129,344

Chilliwack Foundation

Schedule 1 - Common Trust Fund Continuity
For the year ended June 30, 2019

	Contributed Principal as at June 30, 2019	Net Assets as at June 30, 2018	Donations Bequests and Contributions	Loss on Sale of Investments	Unrealized Loss on Investments	Excess (Deficiency) of Revenue over Expenses	Net Assets As at June 30, 2019
General Funds	\$ 3,167,566	\$ 4,621,882	\$ 1,472	\$ (1,085)	\$ 188,592	\$ 188,980	\$ 4,810,862
Specific Funds							
F. Clifford Brown Memorial Scholarship Fund	289,771	654,566	-	(155)	27,648	27,493	682,058
Chilliwack Community Services	414,937	709,085	-	(165)	29,648	29,483	738,568
UFV Scholarships and Bursaries	400,069	691,827	-	(161)	28,927	28,765	720,592
Chilliwack Society for Community Living	40,000	80,098	-	(19)	3,349	3,330	83,428
The Bowes Education Fund	25,000	68,136	-	(16)	2,827	2,811	70,947
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	30,500	72,758	-	(17)	3,057	3,040	75,798
B.C. Summer Games Legacy Fund:							
Education Awards	50,000	135,858	-	(33)	5,766	5,734	141,590
Culture/Arts Awards	50,000	132,283	-	(31)	5,379	5,348	137,631
Sports/Recreation Awards	86,693	230,134	-	(54)	9,360	9,307	239,440
Luscombe/Von Bylburg Memorial Scholarship Fund	23,776	60,885	-	(15)	2,602	2,587	63,472
Jack Williams Memorial Fund:							
Education Awards	45,000	114,292	-	(27)	4,881	4,854	119,146
Culture/Arts Awards	22,500	56,362	-	(13)	2,293	2,280	58,641
Sports/Recreation Awards	22,500	55,720	-	(13)	2,267	2,254	57,974
Chris and Ken Jessiman Endowment Fund	110,000	197,312	-	(46)	8,249	8,203	205,515
Chilliwack Restorative Justice and Youth Advocacy Assoc.	50,571	80,854	-	(19)	3,381	3,362	84,216
Dr. Anne Sussel Science Scholarship Fund	26,865	42,217	-	(10)	1,777	1,767	43,983
Hospice Society	21,583	31,902	-	(7)	1,334	1,326	33,228
Helders Scholarship Fund	85,000	123,386	-	(30)	5,342	5,312	128,698
Frank George Memorial	25,000	38,879	-	(9)	1,696	1,687	40,566
Chilliwack General Hospital Memorial Fund	374,162	513,898	-	(120)	21,487	21,367	535,265
St. Thomas Anglican Youth Ministry Fund	60,000	92,662	-	(22)	3,874	3,853	96,514
Chilliwack Museum and Historical Soc. Fund	240,000	319,881	-	(75)	13,375	13,300	333,181
Don Urquhart McGillvary fund	20,000	24,619	-	(6)	1,037	1,031	25,650
Frances and Charles Thomas Scholarship Fund	50,000	52,645	-	(13)	2,355	2,341	54,987
Frances G. Thomas Memorial Fund	70,000	74,673	-	(17)	3,122	3,105	77,778
Great Blue Heron Reserve Fund	45,168	-	45,168	1	1,858	47,027	47,027
	\$ 5,846,663	\$ 9,276,810	\$ 46,640	\$ (2,177)	\$ 385,484	\$ 429,947	\$ 9,706,757

Chilliwack Foundation

Schedule 2 - Distributable Income Fund Continuity
For the year ended June 30, 2019

	Net Assets As at <u>June 30, 2018</u>	Interest and Dividend <u>Income</u>	Awards and Grants <u>Distributed</u>	Administrative and Program <u>Expenses</u>	Excess (Deficiency) of Revenue <u>over Expenses</u>	Net Assets As at <u>June 30, 2019</u>
General Funds	\$ 22,650	\$ 162,946	\$ (137,201)	\$ (16,340)	\$ 9,404	\$ 32,054
Specific Funds						
F. Clifford Brown Memorial Scholarship Fund	28,283	23,637	(21,600)	(2,395)	(358)	27,925
Chilliwack Community Services	20,949	25,350	(20,949)	(2,569)	1,833	22,781
UFV Scholarships and Bursaries	20,400	24,733	(20,400)	(2,506)	1,827	22,226
Chilliwack Society for Community Living	2,366	2,864	(2,366)	(290)	207	2,573
The Bowes Education Fund	2,469	2,421	(3,000)	(245)	(824)	1,646
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	3,359	2,618	(3,000)	(265)	(647)	2,712
B.C. Summer Games Legacy Fund:						
Education Awards	6,033	4,946	(4,000)	(500)	447	6,480
Culture/Arts Awards	206	4,619	(3,865)	(466)	288	495
Sports/Recreation Awards	374	8,103	(6,739)	(811)	553	927
Luscombe/Von Bylburg Memorial Scholarship Fund	2,842	2,222	(1,500)	(225)	497	3,339
Jack Williams Memorial Fund:						
Education Awards	4,477	4,149	(2,000)	(423)	1,726	6,203
Culture/Arts Awards	342	2,004	(1,900)	(199)	(95)	247
Sports/Recreation Awards	87	1,972	(1,628)	(196)	148	235
Chris and Ken Jessiman Endowment Fund	5,890	7,039	(5,890)	(715)	435	6,324
Chilliwack Restorative Justice and Youth Advocacy Assoc.	2,397	2,891	(2,397)	(293)	201	2,598
Dr. Anne Sussel Science Scholarship Fund	1,771	1,526	(1,500)	(154)	(128)	1,643
Hospice Society	946	1,141	(946)	(116)	79	1,025
Helders Scholarship Fund	6,653	4,542	(2,250)	(463)	1,829	8,482
Frank George Memorial	3,689	1,453	(2,000)	(147)	(694)	2,995
Chilliwack General Hospital Memorial Fund	15,183	18,372	(15,183)	(1,862)	1,328	16,510
St. Thomas Anglican Youth Ministry Fund	2,738	3,313	(2,738)	(336)	240	2,977
Chilliwack Museum and Historical Soc. Fund	9,450	11,436	(9,450)	(1,159)	827	10,277
Don Urquhart McGillvary fund	3,283	929	(3,150)	(90)	(2,311)	972
Frances and Charles Thomas Scholarship Fund	6,661	2,028	(3,000)	(204)	(1,176)	5,484
Frances G. Thomas Memorial Fund	2,244	2,670	(2,244)	(271)	155	2,400
Great Blue Heron Reserve Fund	-	851	-	(161)	690	690
	\$ 175,741	\$ 330,773	\$ (280,894)	\$ (33,399)	\$ 16,480	\$ 192,221