

# **Chilliwack Foundation**

Financial Statements

June 30, 2014



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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, 2014, 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 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 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, 2014, 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.

Chartered Accountants

November 27, 2014

Chilliwack, British Columbia

# Chilliwack Foundation

## Statement of Operations

Year Ended June 30, 2014, with comparative figures for 2013

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	<b>General Fund (Distributable) (Schedule 1)</b>	<b>Common Trust Fund (Schedule 2)</b>	<b>Total 2014</b>	Total 2013 (Recast - Note 6)
<b>Revenue</b>				
Interest and dividends	\$ 271,342	\$ -	\$ 271,342	\$ 278,497
Donations and bequests	-	56,809	56,809	61,307
Gain on sale of investments	-	21,043	21,043	9,184
Increase in fair value of investments	-	696,153	696,153	265,975
	<u>271,342</u>	<u>774,005</u>	<u>1,045,347</u>	<u>614,963</u>
<b>Expenses</b>				
Administration	22,127	-	22,127	19,790
Program	3,839	-	3,839	3,483
Awards and grants distributed (Note 5)	<u>256,902</u>	<u>-</u>	<u>256,902</u>	<u>247,211</u>
	<u>282,868</u>	<u>-</u>	<u>282,868</u>	<u>270,484</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ (11,526)</u>	<u>\$ 774,005</u>	<u>\$ 762,479</u>	<u>\$ 344,479</u>

See accompanying notes to financial statements.

## Chilliwack Foundation

### Statement of Changes in Net Assets

June 30, 2014, with comparative figures for 2013

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	General Fund (Distributable)	Common Trust Fund			June 30 2014	June 30 2013 (Recast - Note 6)
		Contributed Principal	Excess of Revenue over Expenses	Total	Total	Total
Net assets, beginning of year	\$ 164,088	\$ 4,661,228	\$ 2,323,488	\$ 6,984,716	<b>\$ 7,148,804</b>	\$ 6,804,325
Excess (deficiency) of revenue over expenses	(11,526)	56,809	717,196	774,005	<b>762,479</b>	344,479
Net assets, end of year	152,562	4,718,037	3,040,684	7,758,721	<b>7,911,283</b>	7,148,804

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# Chilliwack Foundation

## Statement of Financial Position

June 30, 2014, with comparative figures for 2013

<b>ASSETS</b>	<u>2014</u>	<u>2013</u>
<b>Current Assets</b>		
Cash	\$ 63,576	\$ -
Accounts receivable	<u>600</u>	<u>1,054</u>
	64,176	1,054
<b>Investments at Market Value (Note 3)</b>	<u>7,867,898</u>	<u>7,199,372</u>
	<u>\$ 7,932,074</u>	<u>\$ 7,200,426</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Bank indebtedness	\$ -	\$ 39,572
Accounts payable	<u>20,791</u>	<u>12,050</u>
	<u>20,791</u>	<u>51,622</u>
<b>Net Assets</b>		
Distributable income fund (Schedule 1)	152,562	164,088
Common trust fund (Schedule 2)	<u>7,758,721</u>	<u>6,984,716</u>
	<u>7,911,283</u>	<u>7,148,804</u>
	<u>\$ 7,932,074</u>	<u>\$ 7,200,426</u>

**Commitments (Note 4)**

See accompanying notes to financial statements.

Approved by the Board:

Original signed by Todd Harvey Chairman

Original signed by Peter Dombowsky Treasurer

# Chilliwack Foundation

## Statement of Cash Flows

June 30, 2014, with comparative figures for 2013

	General Fund (Distributable)	Common Trust Fund	2014	2013
<b>Cash provided by (used for) the following activities</b>				
<b>Operating Activities</b>				
Excess (deficiency) of revenues over expenses	\$ (11,526)	\$ 774,005	\$ 762,479	\$ 344,479
Increase in fair values of investments	-	(696,153)	(696,153)	(265,975)
Gain on sale of investments	-	(21,040)	(21,040)	(9,184)
Decrease (increase) in accrued interest	(3,087)	-	(3,087)	1,918
	<u>(14,613)</u>	<u>56,812</u>	<u>42,199</u>	<u>71,238</u>
Changes in working capital accounts				
Accounts receivable	450	-	450	308
Accounts payable	<u>8,743</u>	<u>-</u>	<u>8,743</u>	<u>(71,544)</u>
	<u>9,193</u>	<u>-</u>	<u>9,193</u>	<u>(71,236)</u>
<b>Financing Activities</b>				
Interfund transfers	<u>5,420</u>	<u>(5,420)</u>	<u>-</u>	<u>-</u>
<b>Investing Activities</b>				
Purchase of long-term investments	-	(618,741)	(618,741)	(993,596)
Proceeds on disposal of long-term investments	<u>-</u>	<u>670,497</u>	<u>670,497</u>	<u>945,154</u>
	<u>-</u>	<u>51,756</u>	<u>51,756</u>	<u>(48,442)</u>
<b>Increase (decrease) in cash resources</b>	-	103,148	<b>103,148</b>	(48,440)
<b>Cash resources (indebtedness), beginning of year</b>	<u>-</u>	<u>(39,572)</u>	<u>(39,572)</u>	<u>8,868</u>
<b>Cash resources, end of year</b>	<u>\$ -</u>	<u>\$ 63,576</u>	<u>\$ 63,576</u>	<u>\$ (39,572)</u>

# Chilliwack Foundation

## Notes to the Financial Statements

June 30, 2014

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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 accounting principles for not for profits.

#### 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.

##### General Fund (Distributable)

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

# Chilliwack Foundation

## Notes to the Financial Statements

June 30, 2014

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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. 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 General Fund.

#### Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.



# Chilliwack Foundation

## Notes to the Financial Statements

June 30, 2014

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

#### 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 amortized cost or 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.

## Chilliwack Foundation

### Notes to the Financial Statements

June 30, 2014

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#### 3. Financial instruments

The Foundation manages its investment portfolio to earn investment income and invests according to an investment policy approved by the Board. The Organization is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Foundation manages interest-rate, market, credit and cash flow risk from its financial instruments by investing in a diversified portfolio.

Additionally, the Foundation believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments.

#### Fair Value of Financial Instruments

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

	2014		2013	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
<b>Financial assets</b>				
Cash and cash equivalents	\$ 63,576	\$ 63,576	\$ -	\$ -
Fixed Income	1,804,968	1,756,085	1,753,545	1,717,728
Equities	<u>4,217,874</u>	<u>6,111,813</u>	<u>4,240,045</u>	<u>5,481,644</u>
	<b>6,086,418</b>	<b>7,931,474</b>	5,993,590	7,199,372

#### 4. Commitments

The Foundation has committed to scholarships, awards and grants totaling \$129,834 at June 30, 2014. 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 undesignated funds a further total of \$100,000 to the Chilliwack General Hospital by December 31, 2014. Of this commitment, \$31,000 is remaining at June 30, 2014.

## Chilliwack Foundation

### Notes to the Financial Statements

June 30, 2014

#### 5. Awards and Grants Distributed

Grants and distributions were made as follows:

	<u>2014</u>	<u>2013</u>
<b>Undesignated</b>		
Ann Davis Transition Society	9,000	-
Canadian Opportunity Society	-	3,745
Cheam Elementary PAC Playground Committee	-	10,000
Canadian Forces Base Chilliwack Historical Society	-	5,000
Chilliwack Bowls for Hope	11,000	-
Chilliwack Centre of Excellence	1,547	-
Chilliwack Curling Club	2,250	-
Chilliwack Health & Housing Care	5,909	-
Chilliwack Hospice Society	-	7,262
Chilliwack Housing for the Homeless	-	10,000
Chilliwack Museum & Archives	-	5,000
Chilliwack Opportunity Society	5,050	-
Chilliwack Players Guild	5,000	-
Chilliwack Resource Centre	8,000	-
Chilliwack Restorative Justice & Young Advocacy Association	-	2,000
Chilliwack Senior Peer Counsellors	-	1,500
Chilliwack School of Performing Arts	-	4,663
City of Chilliwack - Chilliwack Arts & Cultural Centre	-	1,350
Cyrus Centre	5,000	-
East Chilliwack Elementary School PAC	-	5,651
Federation of B.C. Naturalists	1,345	-
First Fairfield Island Scouts Canada	-	5,747
Fraser Valley Child Development Centre	3,400	2,000
Fraser Valley Health Care Foundation	19,000	25,000
Ruth & Naomi's Mission	-	6,380
Salvation Army	12,000	-
Sardis Doorway	1,360	-
School District #33 - A.D. Rundle Middle	1,680	-
School District #33 - Evans Elementary	7,000	-
School District #33 - McCammon Elementary	5,000	-
School District #33 - Mt. Slesse Middle	5,465	-
University of the Fraser Valley	-	10,000
	<u>109,006</u>	<u>105,298</u>

## Chilliwack Foundation

### Notes to the Financial Statements

June 30, 2014

#### 5. Awards and Grants Distributed (Continued)

<b>Undesignated</b> (from previous page)	<b><u>109,006</u></b>	<b><u>105,298</u></b>
<b>Specific Funds</b>		
F. Clifford Brown Memorial Scholarship	21,600	20,570
UFV - Betty Urquhart Fund	800	1,500
Chilliwack Community Services	22,384	23,038
UFV Scholarships and Bursaries	22,002	22,645
Chilliwack Museum and Historical Society Fund	10,173	10,470
Chilliwack Society for Community Living	2,547	2,622
The Bowes Education Fund	3,000	2,250
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	2,400	1,000
B.C. Summer Games Legacy Fund:		
Educational Awards	4,000	3,300
Culture/Arts Awards	3,884	4,137
Sports/Recreation Awards	6,825	7,286
Luscombe/Von Bylburg Memorial Scholarship Fund	2,550	2,400
Chilliwack Restorative Action and Youth Advocacy Association Fund	2,571	2,647
Jack Williams Memorial Fund:		
Educational Awards	4,700	2,700
Culture/Arts Awards	1,591	1,762
Sports/Recreation Awards	1,629	1,727
Chris and Ken Jessiman Endowment Fund	6,037	6,064
Dr. Anne and Sam Sussell Scholarship Endowment Fund	1,300	1,400
Hospice Society	1,015	1,044
Chilliwack General Hospital Memorial Fund	16,342	16,718
Frank George Memorial Scholarship Fund	600	600
John & Joy Helder's Performing Arts Scholarship Fund	7,000	3,000
St. Thomas Anglican Youth Ministry Fund	2,946	3,033
	<b><u>147,896</u></b>	<b><u>141,913</u></b>
	<b><u>\$ 256,902</u></b>	<b><u>\$ 247,211</u></b>

#### 6. Recast of 2013 figures

The comparative figures have been recast to record awards and grants distributed of \$247,211 as an expense in the statement of operations for the year-ended June 30, 2013. The awards and grants distributed were previously recorded as a direct charge to net assets in the statement of changes in net assets. There was no change to total assets, liabilities, revenues or net assets as at June 30, 2013 and for the year then ended as a result of this recast of the comparative figures.

## Chilliwack Foundation

Schedule 1 - General Fund Continuity

For the year ended June 30, 2014

	Net Assets As at <u>June 30, 2013</u>	Interest and Dividend <u>Income</u>	Awards and Grants <u>Distributed</u>	Administrative and Program <u>Expenses</u>	Net Assets As at <u>June 30, 2014</u>
<b>General Funds</b>	\$ 10,318	\$ 118,468	\$ (109,006)	\$ (11,247)	\$ 8,533
<b>Specific Funds</b>					
F. Clifford Brown Memorial Scholarship Fund	27,296	22,240	(21,600)	(2,144)	25,792
Chilliwack Community Services	22,384	23,711	(22,384)	(2,303)	21,408
UFV Scholarships and Bursaries	22,002	23,307	(22,002)	(2,246)	21,061
Chilliwack Society for Community Living	2,548	2,698	(2,547)	(260)	2,439
The Bowes Education Fund	4,089	2,333	(3,000)	(225)	3,197
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	3,919	2,495	(2,400)	(241)	3,773
B.C. Summer Games Legacy Fund:					
Education Awards	7,679	4,740	(4,000)	(453)	7,966
Culture/Arts Awards	273	4,380	(3,884)	(418)	351
Sports/Recreation Awards	444	7,618	(6,825)	(726)	511
Luscombe/Von Bylburg Memorial Scholarship Fund	2,912	2,085	(2,550)	(199)	2,248
Jack Williams Memorial Fund:					
Education Awards	5,915	3,914	(4,700)	(375)	4,754
Culture/Arts Awards	125	1,870	(1,591)	(178)	226
Sports/Recreation Awards	86	1,862	(1,629)	(176)	143
Chris and Ken Jessiman Endowment Fund	6,037	6,682	(6,037)	(641)	6,041
Chilliwack Restorative Justice and Youth Advocacy Assoc.	2,572	2,724	(2,572)	(262)	2,462
Anne and Sam Sussell Scholarship Endowment Fund	964	1,414	(1,300)	(136)	942
Hospice Society	1,014	1,075	(1,014)	(104)	971
Helders Scholarship Fund	10,420	4,309	(7,000)	(412)	7,317
Frank George Memorial	2,718	1,369	(600)	(133)	3,354
Chilliwack General Hospital Memorial Fund	16,341	17,312	(16,341)	(1,668)	15,644
St. Thomas Anglican Youth Ministry Fund	2,947	3,122	(2,947)	(301)	2,821
Chilliwack Museum and Historical Soc. Fund	10,173	10,776	(10,173)	(1,038)	9,738
Don Urquhart McGillvary fund	912	838	(800)	(80)	870
Frances and Charles Thomas Scholarship Fund	-	-	-	-	-
	\$ 164,088	\$ 271,342	\$ (256,902)	\$ (25,966)	\$ 152,562

## Chilliwack Foundation

Schedule 2 - Common Trust Fund Continuity

For the year ended June 30, 2014

	Contributed Principal as at June 30, 2014	Net Assets as at June 30, 2013	Donations Bequests and Contributions	Awards and Payments	Gain (Loss) on Sale of Investments	Unrealized Gain (Loss) on Investments	Net Assets As at June 30, 2014
<b>General Funds</b>	\$ 2,154,110	\$ 3,083,680	\$ 1,809	\$ -	\$ 9,204	\$ 301,715	\$ 3,396,408
<b>Specific Funds</b>							
F. Clifford Brown Memorial Scholarship Fund	289,771	564,070	-	-	1,723	57,517	623,310
Chilliwack Community Services	414,937	607,276	5,000	-	1,835	61,305	675,416
UFV Scholarships and Bursaries	400,069	596,917	-	-	1,804	60,259	658,980
Chilliwack Society for Community Living	40,000	69,110	-	-	209	6,977	76,296
The Bowes Education Fund	25,000	58,648	-	-	181	6,030	64,859
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	30,500	62,546	-	-	193	6,467	69,206
B.C. Summer Games Legacy Fund:							
Education Awards	50,000	116,798	-	-	372	12,166	129,336
Culture/Arts Awards	50,000	114,609	-	-	339	11,210	126,158
Sports/Recreation Awards	86,693	199,373	-	-	589	19,491	219,453
Luscombe/Von Bylburg Memorial Scholarship Fund	23,776	52,457	-	-	160	5,334	57,951
Jack Williams Memorial Fund:							
Education Awards	45,000	98,486	-	-	301	10,067	108,854
Culture/Arts Awards	22,500	48,809	-	-	145	4,781	53,735
Sports/Recreation Awards	22,500	48,204	-	-	146	4,715	53,065
Chris and Ken Jessiman Endowment Fund	110,000	170,240	-	-	519	17,189	187,948
Chilliwack Restorative Justice and Youth Advocacy Assoc.	50,571	69,763	-	-	211	7,043	77,017
Anne and Sam Sussell Scholarship Endowment Fund	26,865	36,400	-	-	111	3,641	40,152
Hospice Society	21,583	27,525	-	-	83	2,779	30,387
Helders Scholarship Fund	85,000	106,055	-	-	331	11,055	117,441
Frank George Memorial	25,000	33,248	-	-	107	3,569	36,924
Chilliwack General Hospital Memorial Fund	374,162	443,394	-	-	1,340	44,761	489,495
St. Thomas Anglican Youth Ministry Fund	60,000	79,949	-	-	242	8,071	88,262
Chilliwack Museum and Historical Soc. Fund	240,000	275,997	-	-	834	27,862	304,693
Don Urquhart McGillvary fund	20,000	21,162	-	-	64	2,149	23,375
Frances and Charles Thomas Scholarship Fund	50,000	-	50,000	-	-	-	50,000
	\$ 4,718,037	\$ 6,984,716	\$ 56,809	\$ -	\$ 21,042	\$ 696,153	\$ 7,758,721