

Chilliwack Foundation
Financial Statements
June 30, 2018



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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, 2018, 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, 2018, 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

Chilliwack, Canada

October 11, 2018

Chilliwack Foundation
Statement of Financial Position
As at June 30, 2018

	2018	2017
Assets		
Current		
Cash	-	40,378
Accounts receivable	542	516
	542	40,894
Investments (Note 4)	9,509,108	9,533,407
	9,509,650	9,574,301
Liabilities		
Current		
Bank indebtedness (Note 5)	39,061	-
Accounts payable and accruals	18,038	93,734
	57,099	93,734
Net Assets		
Common Trust Fund (Schedule 1)	9,276,810	9,300,609
Distributable Income Fund (Schedule 2)	175,741	179,958
	9,452,551	9,480,567
	9,509,650	9,574,301

Approved on behalf of the Board

Original Signed by Nigel Lennie

 Chair

Original Signed by Peter Dombowsky

 Treasurer

Chilliwack Foundation
Statement of Operations
For the year ended June 30, 2018

	2018	2017
Revenue		
Donations	57,739	26,559
Interest and dividends	301,684	315,991
Gain (loss) on sale of investments	(5,792)	41,196
Increase (decrease) in fair value of investments	(75,746)	464,951
	277,885	848,697
Expenses		
Administration	29,983	22,554
Awards and grants - designated funds (Note 6)	146,574	152,552
Awards and grants - undesignated funds (Note 7)	129,344	142,154
Disbursement from contributed principal	-	180,000
	305,901	497,260
Excess (deficiency) of revenue over expenses	(28,016)	351,437

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, 2018

	<i>Common Trust Fund (Schedule 1)</i>	<i>Distributable Income Fund (Schedule 2)</i>	2018	2017
Net assets, beginning of year	9,300,609	179,958	9,480,567	9,129,130
Excess (deficiency) of revenue over expenses	(23,799)	(4,217)	(28,016)	351,437
Net assets, end of year	9,276,810	175,741	9,452,551	9,480,567

The accompanying notes are an integral part of these financial statements

Chilliwack Foundation
Statement of Cash Flows
For the year ended June 30, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(28,016)	351,437
Change in fair value of investments	75,746	(464,951)
(Gain) loss on sale of investments	5,792	(41,196)
Decrease in accrued interest	1,400	2,080
Return of capital on investments	6,492	2,445
Reinvested interest	(11,232)	(8,641)
	50,182	(158,826)
Changes in working capital accounts		
Accounts receivable	(26)	143
Accounts payable and accruals	(75,695)	79,834
	(25,539)	(78,849)
Investing		
Purchase of investments	(782,372)	(970,456)
Proceeds on disposal of investments	728,472	1,078,636
	(53,900)	108,180
Increase (decrease) in cash resources	(79,439)	29,331
Cash resources, beginning of year	40,378	11,047
Cash resources, end of year	(39,061)	40,378

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 \$145,408 at June 30, 2018 (2017 - \$139,062). 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, 2018

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.

	2018		2017	
	Cost	Market Value	Cost	Market Value
Financial assets				
Cash and cash equivalents	\$ (39,061)	\$ (39,061)	\$ 40,378	\$ 40,378
Fixed income	1,664,210	1,665,645	437,793	382,192
Equities	5,593,040	7,843,463	6,817,118	9,151,215
	<u>7,257,250</u>	<u>9,509,108</u>	<u>7,254,911</u>	<u>9,533,407</u>
	<u>7,218,189</u>	<u>9,470,047</u>	<u>7,295,289</u>	<u>9,573,785</u>

5. Bank indebtedness

As as June 30th, 2018, the Foundation's cash balance was \$32,768 less \$71,829 in outstanding cheques resulting in a bank indebtedness of \$39,061. Sufficient funds were transferred from the high rate savings investment account subsequent to year-end to offset the outstanding cheques.

6. Awards and Grants Distributed - Designated Funds

	2018	2017
F. Clifford Brown Memorial Scholarship	16,703	20,100
Chilliwack Community Services	22,606	22,213
UFV Scholarships and Bursaries	22,017	21,670
Chilliwack Museum and Historical Society Fund	10,198	10,021
Chilliwack Society for Community Living	2,554	2,509
The Bowes Education Fund	2,650	1,400
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	3,000	4,200
B.C. Summer Games Legacy Fund:		
Educational Awards	4,000	6,000
Culture/Arts Awards	4,257	6,056
Sports/Recreation Awards	7,843	6,100
Luscombe/Von Bylburg Memorial Scholarship Fund	1,800	1,850
Chilliwack Restorative Justice and Youth Advocacy Association Fund	2,578	2,533
Jack Williams Memorial Fund:		
Educational Awards	3,000	3,800
Culture/Arts Awards	1,624	3,500
Sports/Recreation Awards	3,383	-
Chris and Ken Jessiman Endowment Fund	6,241	6,215
Dr. Anne Sussel Science Scholarship Fund	2,000	1,000
Hospice Society	1,017	999
Chilliwack General Hospital Memorial Fund	16,438	16,098
Frank George Memorial Scholarship Fund	1,200	-
John & Joy Helder's Performing Arts Scholarship Fund	3,000	5,215
St. Thomas Anglican Youth Ministry Fund	2,954	2,903
Frances G. Thomas Memorial Fund	5,511	8,170
	146,574	152,552

Chilliwack Foundation
Notes to the Financial Statements
For the year ended June 30, 2018

7. Awards and Grants Distributed - Undesignated Funds

	2018	2017
Anne Davis Transition Society	10,000	9,769
Atchelitz Thresherman's Association	10,500	-
Chilliwack Animal Safe Haven Society	-	3,500
Chilliwack Arts & Cultural Centre Society	-	16,808
Chilliwack Bowls for Hope	7,500	-
Chilliwack Housing for Homeless	10,000	10,000
Chilliwack Museum & Historical Society	-	21,729
Chilliwack Opportunity Society	-	5,000
Chilliwack School of Performing Arts	-	1,096
Chilliwack Search & Rescue	10,000	-
Chilliwack Senior Veterans Society	-	16,688
Chilliwack Supportive Housing	15,000	-
Cyrus Centre	-	15,064
Federation of B.C. Naturalists	2,345	-
Great Blue Heron Nature Reserve Society	-	10,000
Heritage Chilliwack Society	1,500	-
Justice Institute of BC	6,900	-
Rotary Club of Chilliwack	15,000	-
Salvation Army	-	20,000
Sardis Doorway	-	2,500
Scouts Canada	18,083	-
Spirit Abreast Dragon Boat	899	-
Yarrow Volunteer Society	-	10,000
YMCA of Greater Vancouver - Chilliwack	21,617	-
	129,344	142,154

Chilliwack Foundation

Schedule 1 - Common Trust Fund Continuity

For the year ended June 30, 2018

	Contributed Principal as at June 30, 2018	Net Assets as at June 30, 2017	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, 2018
General Funds	\$ 3,166,093	\$ 4,604,219	\$ 57,739	\$ (2,858)	\$ (37,218)	\$ 17,663	\$ 4,621,882
Specific Funds							
F. Clifford Brown Memorial Scholarship Fund	289,771	660,454	-	(417)	(5,472)	(5,889)	654,566
Chilliwack Community Services	414,937	715,377	-	(442)	(5,850)	(6,292)	709,085
UFV Scholarships and Bursaries	400,069	697,966	-	(432)	(5,707)	(6,139)	691,827
Chilliwack Society for Community Living	40,000	80,809	-	(50)	(661)	(711)	80,098
The Bowes Education Fund	25,000	68,746	-	(44)	(566)	(609)	68,136
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	30,500	73,414	-	(46)	(610)	(656)	72,758
B.C. Summer Games Legacy Fund:							
Education Awards	50,000	137,082	-	(87)	(1,137)	(1,224)	135,857
Culture/Arts Awards	50,000	133,428	-	(83)	(1,062)	(1,145)	132,283
Sports/Recreation Awards	86,693	232,125	-	(144)	(1,847)	(1,991)	230,134
Luscombe/Von Bylburg Memorial Scholarship Fund	23,776	61,434	-	(39)	(511)	(549)	60,885
Jack Williams Memorial Fund:							
Education Awards	45,000	115,317	-	(73)	(952)	(1,025)	114,292
Culture/Arts Awards	22,500	56,852	-	(35)	(454)	(490)	56,361
Sports/Recreation Awards	22,500	56,203	-	(36)	(447)	(483)	55,720
Chris and Ken Jessiman Endowment Fund	110,000	199,064	-	(124)	(1,628)	(1,752)	197,312
Chilliwack Restorative Justice and Youth Advocacy Assoc.	50,571	81,573	-	(52)	(667)	(719)	80,854
Dr. Anne Sussel Science Scholarship Fund	26,865	42,596	-	(27)	(352)	(380)	42,217
Hospice Society	21,583	32,186	-	(21)	(263)	(284)	31,902
Helders Scholarship Fund	85,000	124,507	-	(79)	(1,042)	(1,121)	123,386
Frank George Memorial	25,000	39,246	-	(26)	(341)	(367)	38,879
Chilliwack General Hospital Memorial Fund	374,162	518,458	-	(321)	(4,240)	(4,560)	513,898
St. Thomas Anglican Youth Ministry Fund	60,000	93,484	-	(58)	(764)	(822)	92,662
Chilliwack Museum and Historical Soc. Fund	240,000	322,719	-	(200)	(2,639)	(2,839)	319,881
Don Urquhart McGillvary fund	20,000	24,860	-	(17)	(224)	(240)	24,619
Frances and Charles Thomas Scholarship Fund	50,000	53,156	-	(36)	(475)	(511)	52,645
Frances G. Thomas Memorial Fund	70,000	75,336	-	(47)	(616)	(663)	74,673
	\$ 5,800,022	\$ 9,300,609	\$ 57,739	\$ (5,792)	\$ (75,746)	\$ (23,799)	\$ 9,276,810

Chilliwack Foundation

Schedule 2 - Distributable Income Fund Continuity

For the year ended June 30, 2018

	Net Assets As at <u>June 30, 2017</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, 2018</u>
General Funds	\$ 18,479	\$ 148,247	\$ (129,344)	\$ (14,732)	\$ 4,171	\$ 22,650
Specific Funds						
F. Clifford Brown Memorial Scholarship Fund	25,427	21,727	(16,705)	(2,166)	2,856	28,283
Chilliwack Community Services	22,606	23,264	(22,606)	(2,316)	(1,657)	20,949
UFV Scholarships and Bursaries	22,016	22,659	(22,017)	(2,259)	(1,617)	20,400
Chilliwack Society for Community Living	2,554	2,628	(2,554)	(262)	(187)	2,366
The Bowes Education Fund	3,087	2,256	(2,650)	(224)	(618)	2,469
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	4,181	2,420	(3,000)	(241)	(822)	3,359
B.C. Summer Games Legacy Fund:						
Education Awards	5,953	4,531	(4,000)	(450)	80	6,033
Culture/Arts Awards	578	4,306	(4,257)	(420)	(371)	206
Sports/Recreation Awards	1,443	7,505	(7,843)	(731)	(1,069)	374
Luscombe/Von Bylburg Memorial Scholarship Fund	2,825	2,019	(1,800)	(202)	17	2,842
Jack Williams Memorial Fund:						
Education Awards	4,074	3,779	(3,000)	(377)	402	4,477
Culture/Arts Awards	313	1,832	(1,624)	(180)	29	342
Sports/Recreation Awards	1,839	1,808	(3,383)	(177)	(1,752)	87
Chris and Ken Jessiman Endowment Fund	6,291	6,484	(6,241)	(645)	(401)	5,890
Chilliwack Restorative Justice and Youth Advocacy Assoc.	2,578	2,661	(2,578)	(264)	(181)	2,397
Dr. Anne Sussel Science Scholarship Fund	2,500	1,411	(2,000)	(140)	(729)	1,771
Hospice Society	1,017	1,050	(1,017)	(104)	(71)	946
Helders Scholarship Fund	5,950	4,115	(3,000)	(412)	703	6,653
Frank George Memorial	3,673	1,351	(1,200)	(135)	16	3,689
Chilliwack General Hospital Memorial Fund	16,438	16,861	(16,438)	(1,678)	(1,255)	15,183
St. Thomas Anglican Youth Ministry Fund	2,954	3,040	(2,954)	(303)	(217)	2,738
Chilliwack Museum and Historical Soc. Fund	10,198	10,495	(10,198)	(1,045)	(748)	9,450
Don Urquhart McGillvary fund	2,493	879	-	(89)	790	3,283
Frances and Charles Thomas Scholarship Fund	4,981	1,868	-	(188)	1,680	6,661
Frances G. Thomas Memorial Fund	5,511	2,488	(5,511)	(244)	(3,266)	2,244
	\$ 179,958	\$ 301,685	\$ (275,918)	\$ (29,983)	\$ (4,216)	\$ 175,741