

**Chilliwack Foundation**  
**Financial Statements**  
*June 30, 2020*



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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, 2020
- 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, 2020, 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 30, 2020

# Chilliwack Foundation Statement of Financial Position

As at June 30, 2020

	2020	2019
<b>Assets</b>		
<b>Current</b>		
Cash	23,464	80,894
Accounts receivable	727	637
	24,191	81,531
<b>Investments (Note 5)</b>	9,251,380	9,841,185
	9,275,571	9,922,716
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	22,794	23,738
<b>Significant event (Note 4)</b>		
<b>Net Assets</b>		
Common Trust Fund (Schedule 1)	8,975,762	9,706,757
Distributable Income Fund (Schedule 2)	277,015	192,221
	9,252,777	9,898,978
	9,275,571	9,922,716

Approved on behalf of the Board

*Original signed by Ferne Heaps*

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, 2020*

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	<b>2020</b>	<b>2019</b>
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<b>Revenue</b>		
Donations	<b>84,181</b>	46,640
Interest and dividends	<b>349,682</b>	330,773
Gain (loss) on sale of investments	-	(2,177)
Increase (decrease) in fair value of investments	<b>(815,176)</b>	385,484
	<b>(381,313)</b>	760,720
<hr/>		
<b>Expenses</b>		
Administration	<b>32,463</b>	33,399
Awards and grants - designated funds (Note 6)	<b>137,432</b>	138,044
Awards and grants - undesignated funds (Note 7)	<b>94,993</b>	142,850
	<b>264,888</b>	314,293
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<b>Excess (deficiency) of revenue over expenses</b>	<b>(646,201)</b>	446,427

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*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, 2020*

	<i>Common Trust Fund (Schedule 1)</i>	<i>Distributable Income Fund (Schedule 2)</i>	<i>2020</i>	<i>2019</i>
<b>Net assets, beginning of year</b>	<b>9,706,757</b>	<b>192,221</b>	<b>9,898,978</b>	9,452,551
<b>Excess (deficiency) of revenue over expenses</b>	<b>(730,995)</b>	<b>84,794</b>	<b>(646,201)</b>	446,427
<b>Net assets, end of year</b>	<b>8,975,762</b>	<b>277,015</b>	<b>9,252,777</b>	9,898,978

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

**Chilliwack Foundation**  
**Statement of Cash Flows**  
*For the year ended June 30, 2020*

	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	<b>(646,201)</b>	446,427
Change in fair value of investments	<b>815,176</b>	(385,484)
(Gain) loss on sale of investments	-	2,177
Return of capital on investments	<b>1,262</b>	5,579
Reinvested interest	<b>(21,942)</b>	(20,850)
	<b>148,295</b>	47,849
Changes in working capital accounts		
Accounts receivable	<b>(90)</b>	(94)
Accounts payable and accruals	<b>(947)</b>	5,698
	<b>147,258</b>	53,453
<b>Investing</b>		
Purchase of investments	<b>(763,295)</b>	(848,420)
Proceeds on disposal of investments	<b>558,607</b>	914,922
	<b>(204,688)</b>	66,502
<b>Increase (decrease) in cash resources</b>	<b>(57,430)</b>	119,955
<b>Cash resources (deficiency), beginning of year</b>	<b>80,894</b>	(39,061)
<b>Cash resources, end of year</b>	<b>23,464</b>	80,894

*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***

***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 \$169,040 at June 30, 2020 (2019 - \$148,127). Payment of these awards and grants are conditional on the recipients meeting certain criteria and providing certain supporting information.

**4. Significant event**

During the year, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results of the Organization and its operations.

**Chilliwack Foundation**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2020*

**5. 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.

	2020		2019	
	Cost	Market Value	Cost	Market Value
<b>Financial assets</b>				
Cash and cash equivalents	\$ 23,464	\$ 23,464	\$ 80,894	\$ 80,894
Fixed income	1,372,557	1,373,992	1,570,415	1,571,849
Equities	6,227,649	7,877,388	5,803,158	8,269,336
	<u>7,600,206</u>	<u>9,251,380</u>	<u>7,373,573</u>	<u>9,841,185</u>
	<u>7,623,670</u>	<u>9,274,844</u>	<u>7,454,467</u>	<u>9,922,079</u>

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

	2020	2019
F. Clifford Brown Memorial Scholarship	<b>18,600</b>	21,600
Donald Urquhart McGillvary Fund	-	3,150
Chilliwack Community Services	<b>22,781</b>	20,949
UFV Scholarships and Bursaries	<b>22,226</b>	20,400
Chilliwack Museum and Historical Society Fund	<b>10,277</b>	9,450
Chilliwack Society for Community Living	<b>2,573</b>	2,366
The Bowes Education Fund	<b>650</b>	3,000
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	<b>1,000</b>	3,000
B.C. Summer Games Legacy Fund:		
Educational Awards	<b>4,000</b>	4,000
Culture/Arts Awards	<b>4,000</b>	516
Sports/Recreation Awards	<b>4,000</b>	4,439
Luscombe/Von Bylburg Memorial Scholarship Fund	<b>1,500</b>	1,500
Chilliwack Restorative Justice and Youth Advocacy Association Fund	<b>2,598</b>	2,397
Jack Williams Memorial Fund:		
Educational Awards	<b>2,400</b>	2,000
Culture/Arts Awards	-	1,900
Sports/Recreation Awards	-	1,628
Chris and Ken Jessiman Endowment Fund	<b>6,325</b>	5,890
Dr. Anne Sussel Science Scholarship Fund	<b>1,350</b>	1,500
Hospice Society	<b>1,025</b>	945
Chilliwack General Hospital Memorial Fund	<b>16,510</b>	15,183
Frank George Memorial Scholarship Fund	<b>1,300</b>	2,000
John & Joy Helders Performing Arts Scholarship Fund	<b>5,250</b>	2,250
St. Thomas Anglican Youth Ministry Fund	<b>2,977</b>	2,737
Frances G. Thomas Memorial Fund	<b>2,400</b>	2,244
F.C. Thomas Scholarship Fund	<b>3,000</b>	3,000
Great Blue Heron Reserve Fund	<b>690</b>	-
	<b>137,432</b>	138,044

**Chilliwack Foundation**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2020*

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

	2020	2019
Adult and Teen Challenge Society	19,340	-
Ann Davis House	6,000	-
Atchelitz Thresherman's Association	10,491	4,089
Chilliwack Arts & Cultural Centre Society	-	3,349
Chilliwack Bowls for Hope	7,022	6,937
Chilliwack Arts and Cultural Centre Society	-	4,030
Chilliwack Community Services	-	4,014
Chilliwack Hospice Society	2,000	2,000
Chilliwack Museum & Historical Society	2,500	5,200
Chilliwack Park Society	-	3,400
Chilliwack Restorative Justice and Youth Advocacy Association	-	1,000
Chilliwack Search & Rescue	3,750	10,000
Chilliwack Symphony Orchestra	-	3,248
CFB Chilliwack Historical Society	-	2,535
Fraser Valley Health Care Foundation	-	10,000
Fraser Valley Mountain Bikers Association	-	8,948
Great Blue Heron Nature Reserve Society	3,318	-
Illusions Gymnastic Society	-	2,300
Justice Institute of BC	9,072	-
PEARL Life Renewal Society	-	5,000
Players Guild	6,000	-
Ruth and Naomi's Mission	7,000	-
Salvation Army	-	10,300
School District #33 - Unity Christian	5,000	-
School District #33 - Promontory Heights Elementary School	-	10,000
School District #33 - Yarrow Community School	-	6,000
Scouts Canada - Fairfield Scout Troop	5,000	-
Victoria Quilts Canada - Chilliwack	-	2,500
Xolhemet Society - Wilma's Transition House	-	13,000
YMCA of Greater Vancouver - Chilliwack	8,500	25,000
	<b>94,993</b>	<b>142,850</b>

**Chilliwack Foundation**  
Schedule 1 - Common Trust Fund Continuity  
For the year ended June 30, 2020

	<b>Contributed Principal as at June 30, 2020</b>	Net Assets as at June 30, 2019	Donations Bequests and Contributions	Loss on Sale of Investments	Unrealized Loss on Investments	Excess (Deficiency) of Revenue over Expenses	<b>Net Assets As at June 30, 2020</b>
<b>General Funds</b>	<b>\$ 3,171,747</b>	\$ 4,810,862	\$ 4,181	\$ -	\$ (397,334)	\$ (393,153)	<b>\$ 4,417,709</b>
<b>Specific Funds</b>							
F. Clifford Brown Memorial Scholarship Fund	289,771	682,058	-	-	(57,810)	(57,810)	624,248
Chilliwack Community Services	414,937	738,568	-	-	(61,755)	(61,755)	676,813
UFV Scholarships and Bursaries	400,069	720,592	-	-	(60,252)	(60,252)	660,340
Chilliwack Society for Community Living	40,000	83,428	-	-	(6,976)	(6,976)	76,452
The Bowes Education Fund	25,000	70,947	-	-	(6,014)	(6,014)	64,933
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	30,500	75,798	-	-	(6,479)	(6,479)	69,319
B.C. Summer Games Legacy Fund:							
Education Awards	50,000	141,591	-	-	(12,047)	(12,047)	129,543
Culture/Arts Awards	50,000	137,631	-	-	(11,216)	(11,216)	126,415
Sports/Recreation Awards	86,693	239,440	-	-	(19,762)	(19,762)	219,678
Luscombe/Von Bylburg Memorial Scholarship Fund	23,776	63,472	-	-	(5,460)	(5,460)	58,012
Jack Williams Memorial Fund:							
Education Awards	45,000	119,146	-	-	(10,280)	(10,280)	108,866
Culture/Arts Awards	22,500	58,642	-	-	(4,922)	(4,922)	53,719
Sports/Recreation Awards	22,500	57,974	-	-	(4,865)	(4,865)	53,108
Chris and Ken Jessiman Endowment Fund	110,000	205,515	-	-	(17,183)	(17,183)	188,332
Chilliwack Restorative Justice and Youth Advocacy Assoc.	50,571	84,216	-	-	(7,042)	(7,042)	77,174
Dr. Anne Sussel Science Scholarship Fund	26,865	43,983	-	-	(3,702)	(3,702)	40,282
Hospice Society	21,583	33,228	-	-	(2,778)	(2,778)	30,450
Helders Scholarship Fund	85,000	128,698	-	-	(11,033)	(11,033)	117,666
Frank George Memorial	25,000	40,566	-	-	(3,533)	(3,533)	37,032
Chilliwack General Hospital Memorial Fund	374,162	535,265	-	-	(44,756)	(44,756)	490,509
St. Thomas Anglican Youth Ministry Fund	60,000	96,514	-	-	(8,070)	(8,070)	88,444
Chilliwack Museum and Historical Soc. Fund	240,000	333,181	-	-	(27,859)	(27,859)	305,322
Don Urquhart McGillvary fund	20,000	25,650	-	-	(2,225)	(2,225)	23,425
Frances and Charles Thomas Scholarship Fund	50,000	54,987	-	-	(4,808)	(4,808)	50,179
Frances G. Thomas Memorial Fund	70,000	77,778	-	-	(6,503)	(6,503)	71,274
Great Blue Heron Reserve Fund	45,168	47,027	-	-	(3,931)	(3,931)	43,096
Dr. Carmen Kirkness Memorial Scholarship Fund	80,000	-	80,000	-	(6,578)	73,422	73,422
	<b>\$ 5,930,844</b>	\$ 9,706,757	\$ 84,181	\$ -	\$ (815,176)	\$ (730,995)	<b>\$ 8,975,762</b>

**Chilliwack Foundation**

Schedule 2 - Distributable Income Fund Continuity  
For the year ended June 30, 2020

	Net Assets As at <u>June 30, 2019</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, 2020</u>
<b>General Funds</b>	\$ 32,054	\$ 171,051	\$ (94,993)	\$ (15,823)	\$ 60,235	\$ 92,290
<b>Specific Funds</b>						
F. Clifford Brown Memorial Scholarship Fund	27,925	24,911	(18,600)	(2,302)	4,009	31,933
Chilliwack Community Services	22,781	26,611	(22,781)	(2,459)	1,370	24,151
UFV Scholarships and Bursaries	22,226	25,963	(22,226)	(2,399)	1,337	23,563
Chilliwack Society for Community Living	2,573	3,006	(2,573)	(278)	155	2,728
The Bowes Education Fund	1,646	2,576	(650)	(240)	1,687	3,332
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	2,712	2,773	(1,000)	(258)	1,515	4,227
B.C. Summer Games Legacy Fund:						
Education Awards	6,480	5,195	(4,000)	(480)	715	7,195
Culture/Arts Awards	495	4,850	(4,000)	(447)	404	898
Sports/Recreation Awards	927	8,496	(4,000)	(787)	3,709	4,636
Luscombe/Von Bylburg Memorial Scholarship Fund	3,339	2,342	(1,500)	(217)	625	3,963
Jack Williams Memorial Fund:						
Education Awards	6,203	4,424	(2,400)	(409)	1,615	7,818
Culture/Arts Awards	247	2,100	-	(196)	1,904	2,151
Sports/Recreation Awards	235	2,076	-	(194)	1,882	2,117
Chris and Ken Jessiman Endowment Fund	6,324	7,391	(6,324)	(684)	382	6,706
Chilliwack Restorative Justice and Youth Advocacy Assoc.	2,598	3,034	(2,598)	(280)	156	2,754
Dr. Anne Sussel Science Scholarship Fund	1,643	1,591	(1,350)	(147)	93	1,737
Hospice Society	1,025	1,197	(1,025)	(111)	62	1,087
Helders Scholarship Fund	8,482	4,769	(5,250)	(439)	(920)	7,561
Frank George Memorial	2,995	1,518	(1,300)	(141)	78	3,072
Chilliwack General Hospital Memorial Fund	16,510	19,286	(16,510)	(1,782)	993	17,503
St. Thomas Anglican Youth Ministry Fund	2,977	3,477	(2,977)	(321)	179	3,156
Chilliwack Museum and Historical Soc. Fund	10,277	12,004	(10,277)	(1,109)	618	10,895
Don Urquhart McGillvary fund	972	949	-	(89)	861	1,833
Frances and Charles Thomas Scholarship Fund	5,484	2,100	(3,000)	(191)	(1,092)	4,393
Frances G. Thomas Memorial Fund	2,400	2,802	(2,400)	(259)	144	2,543
Great Blue Heron Reserve Fund	690	1,685	(690)	(157)	839	1,529
Dr. Carmen Kirkness Memorial Scholarship Fund	-	1,504	-	(262)	1,242	1,242
	\$ 192,221	\$ 349,682	\$ (232,425)	\$ (32,463)	\$ 84,794	\$ 277,015