

Chilliwack Foundation
Financial Statements
June 30, 2016



KPMG LLP
Suite 200 - 9123 Mary Street
Chilliwack BC V2P 4J7
Canada
Telephone (604) 793-4700
Fax (604) 793-4747

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, 2016, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chilliwack Foundation as at June 30, 2016, 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

November 1, 2016
Chilliwack, Canada

Chilliwack Foundation Statement of Financial Position

As at June 30, 2016

	2016	2015
Assets		
Current		
Cash	11,047	21,865
Accounts receivable	658	235
	11,705	22,100
Investments (Note 4)	9,131,325	8,171,794
	9,143,030	8,193,894
Liabilities		
Current		
Accounts payable and accruals	13,900	18,000
Net Assets		
Restricted		
Common Trust Fund (Schedule 2)	8,947,903	7,994,894
Distributable Income Fund (Schedule 1)	181,227	181,000
	9,129,130	8,175,894
	9,143,030	8,193,894

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, 2016

	2016	2015
Revenue		
Donations	923,810	254,160
Interest and dividends	293,267	271,225
Loss on sale of investments	(14,117)	(28,876)
Increase in fair value of investments	43,316	10,888
	1,246,276	507,397
Expenses		
Awards and grants - Designated Funds <i>(Note 5)</i>	141,582	131,856
Awards and grants - Undesignated Funds <i>(Note 6)</i>	127,039	83,797
Administration	24,419	27,134
	293,040	242,787
Excess of revenue over expenses	953,236	264,610

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, 2016

	<i>Distributable Income Fund (Schedule 1)</i>	<i>Common Trust Fund (Schedule 2)</i>	2016	2015
Net assets, beginning of year	181,000	7,994,894	8,175,894	7,911,284
Excess of revenue over expenses	227	953,009	953,236	264,610
Net assets, end of year	181,227	8,947,903	9,129,130	8,175,894

The accompanying notes are an integral part of these financial statements

Chilliwack Foundation
Statement of Cash Flows
For the year ended June 30, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	953,236	264,610
Change in fair value of investments	(43,316)	(10,888)
Loss on sale of investments	14,117	28,876
Decrease in accrued interest	6,782	4,969
Return of capital on investments	5,184	8,318
Reinvested interest	(7,031)	(18,921)
	928,972	276,964
Changes in working capital accounts		
Accounts receivable	(423)	365
Accounts payable and accruals	(4,101)	(2,791)
	924,448	274,538
Investing		
Purchase of investments	(2,437,966)	(1,939,686)
Proceeds on disposal of investments	1,502,700	1,623,439
	(935,266)	(316,247)
Decrease in cash resources	(10,818)	(41,709)
Cash resources, beginning of year	21,865	63,574
Cash resources, end of year	11,047	21,865

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

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. Significant accounting policies

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

Basis of presentation

The 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.

The General Fund:

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 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)

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 \$146,351 at June 30, 2016. 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, 2016

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.

	2016		2015	
	Cost	Market Value	Cost	Market Value
Financial assets				
Cash and cash equivalents	\$ 11,047	\$ 11,047	\$ 21,865	\$ 21,865
Fixed income	667,899	610,477	1,370,396	1,305,249
Equities	6,480,591	8,520,848	4,888,477	6,866,545
	<u>7,148,490</u>	<u>9,131,325</u>	<u>6,258,873</u>	<u>8,171,794</u>
	<u>7,159,537</u>	<u>9,142,372</u>	<u>6,280,738</u>	<u>8,193,659</u>

5. Awards and Grants Distributed - Designated Funds

	2016	2015
F. Clifford Brown Memorial Scholarship	23,100	18,600
Donald Urquhart McGillvary Fund	750	-
Chilliwack Community Services	21,252	21,408
UFV Scholarships and Bursaries	20,739	21,061
Chilliwack Museum and Historical Society Fund	9,588	9,738
Chilliwack Society for Community Living	2,401	2,438
The Bowes Education Fund	2,400	2,700
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	1,200	1,200
B.C. Summer Games Legacy Fund:		
Educational Awards	6,000	3,000
Culture/Arts Awards	1,732	4,147
Sports/Recreation Awards	6,965	7,115
Luscombe/Von Bylburg Memorial Scholarship Fund	1,300	2,000
Chilliwack Restorative Action and Youth Advocacy Association Fund	2,424	2,461
Jack Williams Memorial Fund:		
Educational Awards	3,600	4,000
Culture/Arts Awards	-	1,688
Sports/Recreation Awards	1,702	1,740
Chris and Ken Jessiman Endowment Fund	5,942	6,042
Dr. Anne and Sam Sussell Scholarship Endowment Fund	1,190	232
Hospice Society	956	971
Chilliwack General Hospital Memorial Fund	15,404	15,644
Frank George Memorial Scholarship Fund	1,600	1,850
John & Joy Helder's Performing Arts Scholarship Fund	7,000	1,000
St. Thomas Anglican Youth Ministry Fund	2,777	2,821
Frances G. Thomas Memorial Fund	1,560	-
	141,582	131,856

Chilliwack Foundation
Notes to the Financial Statements
For the year ended June 30, 2016

6. Awards and Grants Distributed - Undesignated Funds

	2016	2015
Anne Davis Transition Society	1,000	-
BC Dairy Historical Society	-	2,000
BC Wheelchair Basketball Society	-	431
Cascade Christian School	3,000	-
Chilliwack Academy of Music	7,000	5,000
Chilliwack Animal Safe Haven Society	2,100	-
Chilliwack Arts & Cultural Centre Society	7,638	1,292
Chilliwack Bowls for Hope	13,000	-
Chilliwack Community Arts Council	-	3,408
Chilliwack Community Services	3,300	4,000
Chilliwack Hospice Society	1,143	-
Chilliwack Hospital Foundation	15,000	-
Chilliwack Housing for Homeless	10,000	-
Chilliwack Museum & Historical Society	5,000	6,366
Chilliwack School of Performing Arts	9,124	-
Chilliwack Senior Veterans Society	10,000	-
Chilliwack Wheelchair Sports Club	3,334	-
Chilliwack 4H Club	-	2,450
Fraser Valley Child Development Centre	3,000	3,500
Fraser Valley Health Care Foundation	-	31,000
Great Blue Heron Nature Reserve Society	-	5,500
Justice Institute of BC	5,600	-
Meadow Rose Society	-	350
Pacific Community Resources Society	10,000	-
Sardis Doorway	1,000	2,000
School District #33 - Central Elementary	-	6,500
School District #33 - McCammon Elementary	-	5,000
School District #33 - Rosedale Traditional School	7,500	-
Scouts Canada Fairfield	3,200	-
Special Olympics Chilliwack	4,100	-
Veterans Memorial Rest Society	2,000	-
147 Airwolf Cadets Parent Society	-	5,000
	127,039	83,797

Chilliwack Foundation
Schedule 1 - Distributable Income Fund Continuity
For the year ended June 30, 2016

	Net Assets As at June 30, 2015	Interest and Dividend Income	Awards and Grants Distributed	Administrative and Program Expenses	Excess of Revenue over Expenses	Net Assets As at June 30, 2016
General Funds	\$ 29,618	\$ 128,343	\$ (127,039)	\$ (11,637)	\$ (10,333)	\$ 19,285
Specific Funds						
F. Clifford Brown Memorial Scholarship Fund	26,980	22,407	(23,100)	(1,734)	(2,427)	24,553
Chilliwack Community Services	21,251	24,080	(21,251)	(1,868)	962	22,213
UFV Scholarships and Bursaries	20,737	23,494	(20,739)	(1,822)	933	21,670
Chilliwack Society for Community Living	2,401	2,720	(2,401)	(211)	108	2,509
The Bowes Education Fund	2,557	2,312	(2,400)	(180)	(268)	2,290
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	4,818	2,580	(1,200)	(201)	1,179	5,997
B.C. Summer Games Legacy Fund:						
Education Awards	9,164	4,737	(6,000)	(366)	(1,629)	7,535
Culture/Arts Awards	71	4,449	(1,732)	(344)	2,372	2,443
Sports/Recreation Awards	156	7,667	(6,965)	(588)	113	269
Luscombe/Von Bylburg Memorial Scholarship Fund	2,083	2,084	(1,300)	(162)	622	2,704
Jack Williams Memorial Fund:						
Education Awards	4,218	3,912	(3,600)	(303)	9	4,227
Culture/Arts Awards	213	1,901	-	(149)	1,752	1,965
Sports/Recreation Awards	56	1,872	(1,702)	(142)	28	84
Chris and Ken Jessiman Endowment Fund	5,942	6,734	(5,942)	(520)	272	6,215
Chilliwack Restorative Justice and Youth Advocacy Assoc.	2,424	2,746	(2,424)	(213)	109	2,533
Anne and Sam Sussell Scholarship Endowment Fund	1,977	1,448	(1,190)	(113)	144	2,122
Hospice Society	956	1,083	(956)	(84)	43	999
Helders Scholarship Fund	10,168	4,326	(7,000)	(334)	(3,008)	7,160
Frank George Memorial	2,713	1,367	(1,600)	(105)	(338)	2,374
Chilliwack General Hospital Memorial Fund	15,403	17,452	(15,403)	(1,353)	695	16,098
St. Thomas Anglican Youth Ministry Fund	2,777	3,147	(2,777)	(244)	125	2,903
Chilliwack Museum and Historical Soc. Fund	9,588	10,863	(9,588)	(842)	433	10,021
Don Urquhart McGillivray fund	1,621	861	(750)	(67)	44	1,666
Frances and Charles Thomas Scholarship Fund	1,548	1,817	-	(142)	1,674	3,222
Frances G. Thomas Memorial Fund	1,560	8,864	(1,560)	(694)	6,610	8,170
	\$ 181,000	\$ 293,267	\$ (268,621)	\$ (24,419)	\$ 227	\$ 181,227

Chilliwick Foundation

Schedule 2 - Common Trust Fund Continuity

For the year ended June 30, 2016

	Contributed Principal as at June 30, 2016	Net Assets as at June 30, 2015	Donations Bequests and Contributions	Awards and Payments	Gain (Loss) on Sale of Investments	Unrealized Gain (Loss) on Investments	Excess of Revenue over Expenses	Net Assets As at June 30, 2016
General Funds	\$ 3,081,796	\$ 3,392,688	\$ 923,810	\$ -	\$ (6,307)	\$ 20,641	\$ 938,144	\$ 4,330,832
Specific Funds								
F. Clifford Brown Memorial Scholarship Fund	289,771	621,810	-	-	(1,061)	3,076	2,016	623,825
Chilliwick Community Services	414,937	673,801	-	-	(1,138)	3,313	2,175	675,975
UFV Scholarships and Bursaries	400,069	657,403	-	-	(1,110)	3,232	2,122	659,525
Chilliwick Society for Community Living	40,000	76,112	-	-	(129)	374	246	76,358
The Bowes Education Fund	25,000	64,700	-	-	(110)	319	209	64,910
Dr. W.G. "Tony" Newby Memorial Scholarship Fund	30,500	69,038	-	-	(123)	357	234	69,272
B.C. Summer Games Legacy Fund:								
Education Awards	50,000	129,020	-	-	(223)	650	427	129,445
Culture/Arts Awards	50,000	125,865	-	-	(213)	611	398	126,263
Sports/Recreation Awards	86,693	218,943	-	-	(365)	1,043	679	219,622
Luscombe/Von Bylburg Memorial Scholarship Fund	23,776	57,811	-	-	(99)	288	189	58,000
Jack Williams Memorial Fund:								
Education Awards	45,000	108,590	-	-	(185)	537	352	108,942
Culture/Arts Awards	22,500	53,609	-	-	(91)	265	174	53,782
Sports/Recreation Awards	22,500	52,940	-	-	(89)	252	163	53,103
Chris and Ken Jessiman Endowment Fund	110,000	187,497	-	-	(319)	922	603	188,100
Chilliwick Restorative Justice and Youth Advocacy Assoc.	50,571	76,832	-	-	(130)	378	248	77,080
Anne and Sam Sussell Scholarship Endowment Fund	26,865	40,056	-	-	(69)	201	132	40,188
Hospice Society	21,583	30,315	-	-	(51)	149	98	30,413
Helders Scholarship Fund	85,000	117,154	-	-	(204)	592	388	117,542
Frank George Memorial	25,000	36,831	-	-	(64)	187	122	36,953
Chilliwick General Hospital Memorial Fund	374,162	488,323	-	-	(825)	2,401	1,576	489,899
St. Thomas Anglican Youth Ministry Fund	60,000	88,051	-	-	(149)	433	284	88,335
Chilliwick Museum and Historical Soc. Fund	240,000	303,963	-	-	(513)	1,494	981	304,944
Don Urquhart McGillvary fund	20,000	23,321	-	-	(41)	119	78	23,399
Frances and Charles Thomas Scholarship Fund	50,000	49,885	-	-	(87)	253	166	50,051
Frances G. Thomas Memorial Fund	250,000	250,335	-	-	(423)	1,230	808	251,143
	\$ 5,895,724	\$ 7,994,894	\$ 923,810	\$ -	\$ (14,117)	\$ 43,316	\$ 953,009	\$ 8,947,903