

**BULKLEY VALLEY  
COMMUNITY FOUNDATION**

**Financial Statements  
(Unaudited)  
December 31, 2019**

Independent Practitioner's Review Engagement Report

Exhibit "A" Statement of Financial Position

Exhibit "B" Statement of Operations and Changes in Net Assets

Exhibit "C" Statement of Cash Flows

Notes to Financial Statements

# VANDERGAAG & BAKKER

## Chartered Professional Accountants

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### INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the directors:  
BULKLEY VALLEY COMMUNITY FOUNDATION  
Smithers B.C.

We have reviewed the accompanying financial statements of BULKLEY VALLEY COMMUNITY FOUNDATION that comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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 private enterprises, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of BULKLEY VALLEY COMMUNITY FOUNDATION as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Comparative Information*

The financial statements of BULKLEY VALLEY COMMUNITY FOUNDATION for the year ended December 31, 2018 and the balance sheet as at January 1, 2018 have not been audited or reviewed.



Chartered Professional Accountants

Smithers, B.C.  
June 10, 2020

**BULKLEY VALLEY COMMUNITY FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
(Unaudited)  
December 31, 2019

	<u>2019</u>	<u>2018</u>	January 1, <u>2018</u>
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 1,757,082	\$ 31,970	\$ 123,336
Accounts receivable	13,250	17,811	3,640
Prepaid expenses	<u>-</u>	<u>450</u>	<u>-</u>
	1,770,332	50,231	126,976
<b>INVESTMENTS (Note 4)</b>	<u>1,163,091</u>	<u>1,163,091</u>	<u>711,778</u>
	<u>\$ 2,933,423</u>	<u>\$ 1,213,322</u>	<u>\$ 838,754</u>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 4,130	\$ 2,974	\$ 3,984
Grants payable (Note 5)	<u>11,450</u>	<u>12,200</u>	<u>20,050</u>
	<u>15,580</u>	<u>15,174</u>	<u>24,034</u>
<b>COMMITMENT (Note 7)</b>			
<b>NET ASSETS</b>			
<b>UNRESTRICTED FUNDS, per Exhibit "B"</b>	38,613	40,992	27,881
<b>ENDOWMENT FUNDS, per Exhibit "B"</b>	<u>2,879,230</u>	<u>1,157,156</u>	<u>786,839</u>
	<u>2,917,843</u>	<u>1,198,148</u>	<u>814,720</u>
	<u>\$ 2,933,423</u>	<u>\$ 1,213,322</u>	<u>\$ 838,754</u>

Approved by the board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**BULKLEY VALLEY COMMUNITY FOUNDATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
(Unaudited)  
For the Year Ended December 31, 2019

			<u>2019</u>	<u>2018</u>
	<u>Unrestricted</u> <u>Funds</u>	<u>Endowment</u> <u>Funds</u>	<u>Total</u>	<u>Total</u>
<b>REVENUE</b>				
Donations	\$ 3,000	\$ 1,722,074	\$ 1,725,074	\$ 389,180
Investment income	67,444	-	67,444	50,716
Grant revenue	-	-	-	500
Grants forfeited	400	-	400	3,000
	<u>70,844</u>	<u>1,722,074</u>	<u>1,792,918</u>	<u>443,396</u>
<b>EXPENSES</b>				
Administration	7,649	-	7,649	6,855
Advertising and promotion	1,731	-	1,731	561
Grants	23,277	-	23,277	33,413
Insurance	686	-	686	642
Interest and bank charges	52	-	52	156
Licenses, fees and dues	450	-	450	450
Management fees	11,819	-	11,819	2,773
Office supplies	1,301	-	1,301	2,677
Professional fees	4,803	-	4,803	4,082
Scholarships and bursaries	17,700	-	17,700	7,500
Travel and entertainment	3,755	-	3,755	859
	<u>73,223</u>	<u>-</u>	<u>73,223</u>	<u>59,968</u>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES</b>	<b>(2,379)</b>	<b>1,722,074</b>	<b>1,719,695</b>	<b>383,428</b>
<b>NET ASSETS, beginning of year</b>	<b>40,992</b>	<b>1,157,156</b>	<b>1,198,148</b>	<b>814,720</b>
<b>Transfer from Endowment Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,737)</b>
<b>Transfer to Unrestricted Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,737</b>
<b>NET ASSETS, end of year, to Exhibit "A"</b>	<b>\$ <u>38,613</u></b>	<b>\$ <u>2,879,230</u></b>	<b>\$ <u>2,917,843</u></b>	<b>\$ <u>1,198,148</u></b>

The attached notes are an integral part of these financial statements.

**BULKLEY VALLEY COMMUNITY FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses, per Exhibit "B"	\$ 1,719,695	\$ 383,428
Net decrease (increase) in total non-cash working capital balances (Note 6)	<u>5,417</u>	<u>(23,481)</u>
	<u>1,725,112</u>	<u>359,947</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	<u>-</u>	<u>(451,313)</u>
<b>NET CASH INCREASE (DECREASE)</b>	<b>1,725,112</b>	<b>(91,366)</b>
<b>CASH POSITION, beginning of year</b>	<u>31,970</u>	<u>123,336</u>
<b>CASH POSITION, end of year</b>	<u>\$ 1,757,082</u>	<u>\$ 31,970</u>
<b>CASH POSITION REPRESENTED BY</b>		
Cash	<u>\$ 1,757,082</u>	<u>\$ 31,970</u>

The attached notes are an integral part of these financial statements.

**BULKLEY VALLEY COMMUNITY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited)**  
**December 31, 2019**

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**1. STATUS AND NATURE OF OPERATIONS**

BULKLEY VALLEY COMMUNITY FOUNDATION was incorporated as a non-profit society under the Society Act of the Province of British Columbia on December 14, 1990. Its purpose is to promote education and cultural advancement and scientific or medical research for the increase of human knowledge and alleviation of human suffering and other charitable purposes; as may contribute to the moral, mental, cultural and physical improvements of the inhabitants of the area generally described as Highway 16 from Topley to Kitwanga, inclusive, as well as Granisle and the Hazeltons, all of British Columbia. The Foundation is a registered charity and is classified as a public foundation for purposes of the Income Tax Act (Canada).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organization (ASNPO) and include the following significant accounting policies:

(a) **Endowment funds**

Endowment funds are established for gifts that are designated to remain under the organization's management in perpetuity.

(b) **Investments**

Investments are recorded at cost.

(c) **Cash**

Cash is comprised of bank account balances net of any outstanding withdrawals. At December 31, 2019 there is \$1,700,000 in cash that was donated to the endowment fund.

(d) **Financial instruments**

Financial instruments and liabilities are measured initially at fair value. Subsequent measurement is at amortized cost.

(e) **Recognition of contributions**

The organization follows the restricted fund method whereby externally restricted contributions are recognized in the endowment fund corresponding to the purpose for which they were contributed. Restricted contributions for which no corresponding restricted fund is presented are recognized in the Unrestricted Fund as received. Unrestricted contributions are recognized as revenues in the Unrestricted Fund.

(f) **Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates.

**BULKLEY VALLEY COMMUNITY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited)  
**December 31, 2019**

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**3. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

The financial statements for the year ended December 31, 2019 are the first financial statements that are prepared in accordance with ASNPO. The financial statements for the year ended December 31, 2018 were previously prepared in accordance with the former Canadian generally accepted accounting principles in the Handbook - Accounting Part V version (Pre-changeover GAAP). Under ASNPO provisions as set out in Section 1501 First-Time Adoption for not-for-profit organizations, the date of transition is the beginning of the fiscal year for comparative information. Therefore, the transition date for the organization is January 1, 2018, the beginning of the fiscal year ended December 31, 2018.

**4. INVESTMENTS**

	<u>2019</u>	<u>2018</u>
Vancouver Foundation, 14,020.16 units in the consolidated trust fund, a balanced type mutual fund. The units produce earnings which are distributed quarterly. The units have a market value of \$303,663 (2018 - \$283,242).	\$ 214,865	\$ 214,865
Vancouver Foundation, 27,448.34 units in 'Transferable Fund', a balanced type mutual fund. The units produce earnings which are distributed quarterly. The units have a market value of \$594,504 (2018 - \$554,525).	582,598	582,598
Vancouver Foundation, 17,260.37 units in 'Scholarship Transferable Fund', a balanced type mutual fund. The units produce earnings which are distributed quarterly. The units have a market value of \$373,843 (2018 - \$348,703).	<u>365,628</u>	<u>365,628</u>
	<u>\$ 1,163,091</u>	<u>\$ 1,163,091</u>

**5. GRANTS PAYABLE**

Grants payable represent the undisbursed amounts approved by the directors for which the draw down deadline has not yet been reached.	\$ <u>11,450</u>	\$ <u>12,200</u>
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**BULKLEY VALLEY COMMUNITY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(Unaudited)  
December 31, 2019

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	<u>2019</u>	<u>2018</u>
<b>6. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES</b>		
Net decrease (increase) in non-cash current assets		
Accounts receivable	\$ 4,561	\$ (14,171)
Prepaid expenses	<u>450</u>	<u>(450)</u>
	<u>5,011</u>	<u>(14,621)</u>
Net increase (decrease) in non-cash current liabilities		
Accounts payable and accrued liabilities	1,156	(1,010)
Grants payable	<u>(750)</u>	<u>(7,850)</u>
	<u>406</u>	<u>(8,860)</u>
Net decrease (increase) in total non-cash working capital balances, to Exhibit "C"	<u>\$ 5,417</u>	<u>\$ (23,481)</u>

**7. COMMITMENT**

The Directors have committed the Foundation to make grants and distributions to a minimum of \$32,790 during 2020.