

Credit Union
Foundation 

**2021
AGM**

Agenda

Date: Thursday, May 13, 2021
Time 11:00 am – 12:00 pm
Place: Virtually via Microsoft Teams Meeting

Agenda:

1. Call to Order
2. Introduction of Trustees
3. Minutes of the 2020 Annual General Meeting
4. Trustees' Report
5. Awards Committee Report
6. Treasurer's Report
7. 2020 Financial Statements
8. Appointment of Auditor
9. Governance & Nominating Committee Update
10. Good and Welfare
11. Adjournment

Trustee Nominations



Gus Hartl

Chief Executive Officer
Aldergrove Credit Union



David Lanphear

President
Envision Financial, a division of First West Credit Union



Gene Creelman

SVP, Member and Community Engagement
Interior Savings Credit Union



Anita Cheng

Director, Member and Stakeholder Engagement
Vancity Credit Union



Kirsten McElgunn

VP, Marketing and Member Engagement
Prospera Credit Union



Jana Lukasek

Chief Executive Officer
Bulkley Valley Credit Union

2020 AGM Minutes

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

MINUTES OF THE SIXTY SECOND ANNUAL GENERAL MEETING HELD VIRTUALLY ON THURSDAY, MAY 28, 2020

President Gus Hartl called the meeting to order at 1:34 pm and advised that the meeting was being recorded for the Foundation records.

QUORUM: A quorum was declared present. The final registration showed attendance of 18 delegates, 2 Life Memberships, and 7 guests. Among the 27 in attendance, five individuals joined by phone; the remainder online.

President Gus Hartl provided his opening remarks, acknowledging the current state of the COVID-19 pandemic, thus requiring the hosting of a virtual AGM. It was noted the format of this annual general meeting has been modified to reflect the nature of a virtual AGM. The package was provided to AGM registrants in advance of the meeting, and is also available for download on the [Foundation's website](#). To accommodate delegate voting for motions and the proposed Extraordinary resolution to amend the rules, instructions were provided to attendees on how to place their vote during the AGM. It was also clarified that only those who joined the AGM online were provided with the ability to vote. A test motion was provided for attendees.

The President introduced and thanked the Foundation Board of Trustees, and the Trustees Emeritus/Emerita.

MINUTES: The President requested a motion for adoption of the Minutes of the 2019 Annual Meeting, with a slight amendment to the reference of “2017 AGM Minutes”, which should read “2018”.

Moved and Seconded: That the minutes of the 2019 Annual Meeting of the Credit Union Foundation be adopted with the amendment noted.

Carried.

BOARD OF TRUSTEES REPORT:

President, Gus Hartl, shared several highlights from the Trustees Report for 2019, as circulated in the AGM package.

The Credit Union Foundation of B.C., founded in 1958, is the charitable arm of the British Columbia Credit Union System. The Foundation's primary purpose is to provide educational awards to B.C. students of all ages in need of financial assistance for academic, technological, or vocational training at accredited schools in the province.

The Trustees were pleased with the movement of funds to Connor, Clark & Lunn Private Capital Ltd. This movement of funds will be completed by the end of 2021. The movement of these funds provides stability for the Foundation and increases earnings, allowing the Foundation to achieve its goal of helping people advance through higher education and meaningful employment.

The President thanked the credit unions who contributed to the Foundation through annual dues in 2019, as well as those credit unions who further supported the Foundation through donations to their named funds.

One of the Foundation's goals over the past year was to generate more than enough applications to ensure the full allotment of funds available was being spent. The Foundation now consistently receives many more applications than it is able to fund, ensuring the funds that do get awarded are provided to the people that need financial assistance the most. The Foundation will continue to innovate and look for opportunities to communicate the great story that is 'The Foundation,' and encourages credit unions to ensure they're continuing the awareness-building of the funding that's available for their members.

Thanks was given to the Central 1 Marketing team for providing administrative services to the Foundation, and in particular to Kristyn Leblanc who kept everyone organized and on point in the past year.

This year there will be turnover on the Board. Trustee Naz Kullar left the Credit Union system and resigned from the Board. One of our trustees whose term is up, Theresa Dergousoff, will not be seeking a further term. Theresa has played a vital role in managing the internal accounting for the Foundation. She has agreed to mentor her replacement to ensure for a smooth transition.

Thanks were also expressed for the continued support received from BC credit unions and their members, which enables the Foundation to carry on its mission and be true to its co-operative values.

AWARDS COMMITTEE REPORT:

The Awards Committee Chair Deborah Edwards shared highlights from the in-depth report included in the 2020 AGM package.

Over \$160,000 in grants and bursaries was provided in 2019 across three programs. \$32,200 was awarded through the Post-Secondary Annual Grant program to various colleges and universities for disbursement to deserving students.

The individual grants program received 344 applications for funding in 2019, an increase over the previous year. A total of 138 students received individual bursaries, of whom 114 are credit union members and received over \$90,000 in funding. Additionally, \$12,000 was awarded to the Credit Union Development Education (aka Canada DE) program, funded by the Rod Glen International Trust Fund.

Thanks were given to the other members of the 2019 Awards Committee: Nicole Eich, Nolan Hill, Kari Johnson, and Balbir Bains for their significant time and contribution.

TREASURER'S REPORT:

Treasurer Theresa Dergousoff reported that the Foundation had another successful year, a true testament to cooperation among cooperators. Theresa shared some highlights from the Treasurer's Report and the 2019 financial statements, included in the 2020 AGM package.

KPMG's audit was conducted in February, 2020 and gave the Foundation a clean opinion. As usual they were thorough in their audit. Thanks was given to the staff of KPMG and partner Carol Chiang.

Beginning with the balance sheet the cash and term deposit balances were lower at the end of the year than the prior year. Foundation investments grew by \$1.3 million to \$4.89 million. In 2016 the Foundation negotiated a new investment agreement with Connor, Clark and Lunn. As term deposits mature with our credit unions the Foundation is transferring them to CC&L.

Overall assets grew by \$300,000, which is added to the total funds balance. Those funds now total just over \$5 million. Our funds exist in perpetuity, a legacy that the credit unions should be proud of for building. This year's asset growth has been reinvested in the Foundation.

Highlights from the Statement of Operations were then shared. The \$0.10 per member contributions from credit unions totalled \$142,379. This year Coast Capital donated \$25,000 included in the unrestricted fund contributions. Among other generous donations shown in schedule 2, a commendation was also given to Interior Savings for adding to their contribution an additional \$29,646.

The Foundation had lower investment income over prior year. This should rise for 2020, as the majority of term deposits have been converted to high-yielding investments. It was an exceptional year for unrealized gains on the investment portfolio, recovering the 2018 losses and then some.

In the last quarterly call with CC&L it was shared that the last two month's events portfolio is up \$55K from the beginning of the year. This speaks to the competency of the investment managers at CC&L.

Theresa then provided a summary on expenses from the statement of operations.

Moved and Seconded: To adopt the Auditors' Report of the Financial Statements for the year ending 2019 as presented.

Carried.

The Audit Committee reviewed the performance of the auditor and is recommending to the membership KPMG CPA as the Foundation's auditors for the 2020 fiscal year.

Moved and Seconded: To appoint KPMG as auditor for the Credit Union Foundation of BC for 2020 and that the Trustees be authorized to set remuneration.

Carried.

Thanks were given to the Audit and Finance Committee members: Dave Lanphear (chair), Gus Hartl, Nolan Hill and Jeff Shewfelt. A heartfelt thanks also went to Administrator Kristyn Leblanc for her hard work and dedication to the Foundation. Theresa also acknowledged the cooperative values that have created the \$5 million legacy that is the Foundation. Collectively and cooperatively the funds will make a difference in people's lives – a contribution from credit union members both past and present. The fund makes it possible for credit unions to see the cooperative principle #5, education of our members, come to life.

GOVERNANCE & NOMINATING COMMITTEE REPORT:

Committee chair, Jeff Shewfelt presented the 2019 Nominating Committee Report.

As part of the Governance & Nominating Committee's responsibilities an annual election is held to fill vacant and maturing positions for the board of trustees. There were 4 trustee positions available for election this year. Theresa Dergousoff is completing a 3-year term, and Nolan Hill and Deborah Edwards are completing 1-year terms. With Naz Kullar's departure,

this left 4 board positions available for trustees. A call for nominations was made to the credit union system in February with a deadline of April 10. As of the deadline the Foundation received nomination papers from four individuals: returning trustees Nolan Hill and Deborah Edwards, and applications from Jessie Sidhu from Khalsa Credit Union, and Tyler Patak from Central 1. With four candidates running for the four positions, it was declared the nominees were elected as trustees by acclamation.

Four trustee terms will expire in 2021, including Dave Lanphear, Gus Hartl, Catherine Ludgate and Gene Creelman. Terms expiring in 2022 include Kari Johnson, Balbir Bains, Nicole Eich and Jeff Shewfelt.

The President then welcomed the new Trustees and welcomed back the incumbents.

PROPOSED EXTRAORDINARY RESOLUTION – CUFBC 2020-1

The Governance & Nominating Committee Chair Jeff Shewfelt, spoke to the proposed extraordinary resolution. To enable flexibility around the transition of directors, skills transfer, amalgamations, etc, the Board thought it would be helpful to have the ability to set the number of trustees within the parameters set in the bylaws, and are proposing a resolution amendment that would give the Board the ability to make this change.

Moved and Seconded: Extraordinary resolution CUFBC 2020-1

Until otherwise determined by general meeting of the membership, the number of trustees shall be determined by the Board of Trustees consisting of:

1. a minimum of nine (9) persons and no more than 15 persons of which at least three (3) of whom shall be elected each year to hold office for a period of three (3) years.
2. Of the elected trustees, no more than three (3) trustees shall represent a “corporate body” as described in Bylaw 6.

Carried.

GOOD & WELFARE:

No Good and Welfare was brought forward by the membership.

ADJOURNMENT: The Chair thanked everyone for their attendance at the 2020 Annual General Meeting and the meeting was adjourned at 2:02pm.



Jeff Shewfelt, Secretary



Gus Hartl, President

Trustees' Report for 2020

The Credit Union Foundation of BC, founded in 1958, is the charitable arm of the British Columbia Credit Union System. The Foundation's primary purpose is to provide educational awards to BC post-secondary students in need of financial assistance for academic, technological, or vocational training at accredited schools in the province.

The Foundation awards program is primarily funded by earnings on its Memorial and Trust funds. This year (2021) we will complete the transfer of our funds to the professional investment advisors at Connor, Clark & Lunn Private Capital Ltd. This investment strategy was approved in 2016 and has helped to stabilize the Foundation and increase earnings – allowing us to achieve our goal to help people advance through higher education and meaningful employment. We appreciate the contributions from credit unions in BC who support the Foundation through annual dues payments through Central 1. We also thank those credit unions who further support the Foundation through donations to their named funds, as well as the Federal credit unions (Coast Capital) who continue to support the Foundation voluntarily.

Over the past year, Credit Union Foundation trustees continued work to improve the application process for students and raise awareness of our programs, both with BC credit unions and our members who are looking for financial assistance for their education. The general awareness of the Foundation continues to grow, as does the number of bursary applications we receive throughout the year.

We will continue our work to look for innovative ways to market and communicate the great story that is 'the Foundation', and we encourage all BC credit unions to do their part in building greater awareness about the funding that's available to their members.

2020 posed unprecedented and lasting challenges for students and schools. In-person learning shifted to online formats, and employment and practicum opportunities waned. To help support students through these additional challenges, the Foundation was proud to disburse \$36,000 more in bursaries and support 62 additional students facing financial need than the previous year. Altogether, the Credit Union Foundation provided \$178,701 to students via 200 individual bursaries and through our post-secondary annual grant program.

During the past year, the Foundation experienced some turnover with the resignations of trustees Catherine Ludgate, Janice Van Dolah, Kari Johnson and Nicole Eich. We want to thank these individuals for their invaluable contributions and wish them well into the future. As Nicole stepped down from the Board, the Foundation was looking to shift its administrative function away from Central 1. We were very pleased to bring Nicole's expertise on board to manage the programs of the Foundation, and to be a part of our team moving forward.

This is a volunteer Board with no financial reward, so our sincere thanks go out to all the departing trustees. We look forward to welcoming three new trustees to our board after the AGM.

The Foundation's awards program, developed in 1958, was in the co-operative spirit of **people helping people to help themselves**. The Foundation continues to help build a community of contributing members and these members are the future of our communities. We are thankful for the continued support received from BC credit unions and their members which enables the Foundation to carry on its mission and be true to our co-operative values.

In closing, we would like to acknowledge the very different and challenging times our world continues to work through with the COVID-19 pandemic. It has touched every aspect of our lives and we would expect that the financial need for education will be even greater in the near future and beyond. We're proud that the Foundation will play a small part in helping our world recover.

Respectfully submitted

May 13, 2021 | **Credit Union Foundation of British Columbia Board of Trustees**

Gus K. Hartl, President
Dave Lanphear, Vice-President
Theresa Dergousoff, Treasurer
Jeff Shewfelt, Secretary
Nolan Hill, Trustee

Gene Creelman, Trustee
Tyler Patak, Trustee
Deborah Edwards, Trustee
Jessie Sidhu, Trustee
Balbir Bains, Trustee

Phil Moore, Trustee Emeritus
W.J. (Bill) Wright, Trustee Emeritus
Gene Blishen, Trustee Emeritus
Meredith Pue, Trustee Emeritus

Awards and International Grants Committee Report for 2020

The Credit Union Foundation is pleased to provide education awards to BC post-secondary students who demonstrate financial need. The Awards Committee is responsible for reviewing applications received and subsequently disbursing grants and bursaries to students.

2020 was an exceptionally challenging year for students, with disruption of classes, a shift to online learning, and decreased opportunities for employment, practicums and community involvement. The Credit Union Foundation rose to the occasion, disbursing \$36,000 more in bursaries and supporting 62 additional students facing financial need than the previous year. Altogether, the Credit Union Foundation provided \$178,701 to students, via individual grants and through our post-secondary annual grant program.

Post-Secondary Annual Grant Program

In 2020, \$27,447 was awarded to universities and colleges across the province to be administered by the schools. Grants are given to individuals based on criteria set by the school or criteria established by named funds.

Individual Grants

The Credit Union Foundation reviews and approves bursaries for students three times each year, in order to accommodate the various school terms at different post-secondary institutions. Awards granted are based on demonstrated financial need, tuition costs, community/co-operative involvement and whether attendance is full or part-time. In 2020 the Foundation received 315 applications and disbursed 200 bursaries totalling \$151,254. Of the 200 bursaries awarded, 158 went to credit union members for a total of \$124,004. An additional 42 bursaries were awarded to non-members, totalling \$27,250.

International Awards Program

The Awards Committee also has annual oversight for the International Awards Program, funded by the A. Rod Glen International Trust Fund. Due to the exceptional challenges posed by the Covid-19 pandemic, the international program was put on hold in 2020.

In closing thanks are due to Balbir Bains, Nolan Hill, Kari Johnson, Tyler Patak and Jessie Sidhu for their contributions to the Awards Committee.

"I would like to give my sincerest thanks for this bursary. This could not have been more timely, and I am so grateful for the Credit Union Foundation's financial support of students at this trying time. In the thick of final exams, this has given me a last big push to keep on persevering in my studies."

Bursary recipient

2020 year in review



The Credit Union Foundation of BC granted bursaries to 200 students in 2020, totaling

\$151,254

80%

Granted to credit union members

\$27,447

In award funding to BC post-secondary schools



Additional students received educational support compared to 2019



70%

Of BC credit unions have members who received a bursary

Supported students across a variety of programs



Bursary recipients attended a broad range of schools across BC



- UBC
- North Island College
- Emily Carr University
- Nicola Valley Institute of Technology
- and many more!



Many student award recipients give back to their communities through careers in health sciences, social work, education and mental health support

Testimonials



“On behalf of my family and I, I'd like to sincerely thank the Credit Union Foundation of BC and its donors for all their support towards my education and giving me the opportunity to embrace my future. The funds I've received have given me the ability to not worry or feel obligated to put my health at risk by working, and instead concentrate on taking distance education courses until I feel better. It makes a huge difference not only financially but I feel more confident and supported overall.”

- Anonymous

“The Credit Union Foundation bursary has greatly supported me financially throughout my journey of getting my degree in nursing. Nursing school is quite an expense, and being a full-time student, it is hard to find the time to work and go to school. I am so grateful for the financial assistance, especially during the more challenging times of the COVID-19 pandemic.”

- Rachel

“Thank you very much for this amazing bursary! It means so much to me to receive this and be able to continue my studies with a lot less financial and personal stress. I really appreciate everything the Credit Union Foundation does to help students. I am very grateful and I will always remember this.”

- Lucas



“Thank you so much! This was an amazing email to receive in my inbox today. I am so grateful to the Credit Union Foundation of BC for supporting me in this way; I feel both financial and emotional stress relieved during a very hard semester!”

- Molly

“I am honoured to receive this bursary and I will use it to help with costs associated with my registered psychiatric nursing degree. I look forward to the many opportunities I will have as a psychiatric nurse to help others and show kindness, like you have shown me. Thank you for your generosity and commitment to supporting my education.”

- Kenna



Treasurer's Report

Total assets amounted to \$5,488,617, up 8.4% from 2019. Prior to 2016, the Foundation's assets were invested in 36 British Columbia credit unions and in Central 1. In 2016 we amended our investment policy and are transitioning the investments to a managed fund with Connor Clark and Lunn ("CC&L") as the term deposits mature, with the hopes of realizing a better return in the long run.

Revenues totaled \$696,222 (2019 - \$658,269) consisting of interest and investment earnings of \$235,158 (2019 - \$100,711), donations from credit unions and individuals of \$55,179 (2019 - \$60,021), membership dues of \$4,100 (2019 - \$4,200) and credit union members' dues of \$141,965 (2019 - \$149,379). We had an unrealized gain on investments of \$259,820 at the end of 2020 (2019 - \$350,958).

Total expenses were \$92,563, up \$5,693 from \$86,870 in 2019. This is mainly due to fees paid to CC&L for managing our investments, which were \$42,774 (2019 - \$33,434), reflecting an increase in funds under management.

Our awards are channeled into helping British Columbians further their education. For 2020, these awards totaled \$178,701 (2019 - \$160,695); of this amount, \$27,447 (2019 - \$32,200) was directed towards universities and colleges, and \$151,254 was for bursaries (2019 - \$116,495). In 2019, we also funded \$12,000 towards the Credit Union Development Education ("DE") program at Saint Mary's University, however the program did not run in 2020 due to the pandemic. Over the last 15 years, over \$2,000,000 has been distributed to deserving recipients across the province, something we can all truly be proud of.

This year, the Foundation transferred \$389,779 to the Credit Union Pioneer's Memorial Trust Fund (2019 - \$375,683).

Investments held at CC&L are being made using the six UN Principles of Responsible Investing ("UNPRI"). Our board has directed CC&L investment managers to use UNPRI when building our portfolio; the UNPRI fundamentals are that companies that have good governance, good practices and are environmentally and socially conscious typically perform better. The embracing of responsible investing is reflected in our portfolio.

We can confirm that the Foundation is compliant with the disbursement quota as calculated from the Revenue Canada Charities return that we file annually.

On a personal note, I have had the distinct pleasure to serve on this board for the past 10 years, and it is with great sadness that I announce that I am not seeking re-election. I have been on the board with so many amazing credit union professionals, and have thoroughly enjoyed my time working with you all. As Treasurer, I would like to thank my fellow Audit and Finance committee members and our new Program Manager, Nicole Eich, who is doing an amazing job for us. I would also like to thank Central 1 staff members Kristyn LeBlanc and Alana Dyani for their assistance in 2020. Thank you to our auditors, Carol Chiang and the staff at KPMG, who made the audit go smoothly again this year. Also, we would like to thank all credit unions for their support, and especially those credit unions and individuals who made donations to the various memorials. These donations are perpetually reinvested in our members' education and dreams.

Respectfully submitted

Theresa Dergousoff, CPA, CA
Treasurer
April 15, 2021

Financial Statements for 2020

Financial Statements of

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

And Independent Auditors' Report thereon

Year ended December 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Members of the Credit Union Foundation of British Columbia

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Credit Union Foundation of British Columbia (the Foundation), which comprise:

the statement of financial position as at December 31, 2020

the statement of operations and fund balances for the year then ended

the statement of cash flows for the year then ended

and notes and schedules 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 Foundation as at December 31, 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 Foundation 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.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

As required by the *Societies Act (British Columbia)*, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Chartered Professional Accountants

Vancouver, Canada
March 31, 2021

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Statement of Financial Position

December 31, 2020, with comparative information for 2019

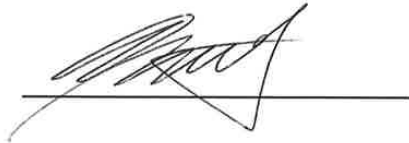
	2020	2019
Assets		
Current assets:		
Cash	\$ 127,896	\$ 84,488
Term deposits, at amortized cost (note 3)	86,011	60,973
	<u>213,907</u>	<u>145,461</u>
Term deposits, at amortized cost (note 3)	-	25,038
Investments, at fair value (note 4)	5,274,710	4,894,641
	<u>\$ 5,488,617</u>	<u>\$ 5,065,140</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,089	\$ 4,570
Fund balances:		
Memorial and Trust Funds (Schedule 1)	5,485,528	5,060,570
	<u>\$ 5,488,617</u>	<u>\$ 5,065,140</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Statement of Operations and Fund Balances

Year ended December 31, 2020, with comparative information for 2019

	Unrestricted General Fund	Restricted Memorial and Trust Funds	2020 Total	2019 Total
Revenue:				
Contributions (Schedule 2, note 6)	\$ 161,965	\$ 35,179	\$ 197,144	\$ 202,400
Corporate member dues	4,100	-	4,100	4,200
Investment income (note 5)	235,158	-	235,158	100,711
Unrealized gain on investments	259,820	-	259,820	350,958
	661,043	35,179	696,222	658,269
Expenses:				
Administration services (note 6)	33,334	-	33,334	36,000
Marketing	630	-	630	1,250
Investment management fees	42,774	-	42,774	33,434
Audit and legal fees	14,050	-	14,050	12,639
Office and other	1,775	-	1,775	3,547
	92,563	-	92,563	86,870
Excess of revenue over expenses before grants and bursaries	568,480	35,179	603,659	571,399
Grants and bursaries paid	(178,701)	-	(178,701)	(160,695)
Excess of revenue over expenses, grant and bursaries	389,779	35,179	424,958	410,704
Fund balances, beginning of year	-	5,060,570	5,060,570	4,649,866
Interfund transfer (note 2(a))	(389,779)	389,779	-	-
Fund balances, end of year	\$ -	\$ 5,485,528	\$ 5,485,528	\$ 5,060,570

See accompanying notes to financial statements.

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses, grants and bursaries	\$ 424,958	\$ 410,704
Items not involving cash:		
Unrealized gain on investments	(259,820)	(350,958)
Net changes in non-cash operating working capital items:		
Accounts payable and accrued liabilities	(1,481)	2,070
	163,657	61,816
Investments:		
Redemption of term deposits	-	970,735
Purchase of investments	(188,040)	(1,008,388)
Redemption of investments	67,791	7,049
	(120,249)	(30,604)
Increase in cash	43,408	31,212
Cash, beginning of year	84,488	53,276
Cash, end of year	\$ 127,896	\$ 84,488

See accompanying notes to financial statements.

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2020

1. Operations:

Credit Union Foundation of British Columbia (the "Foundation") was originally incorporated in 1958 and is registered under the *Societies Act (British Columbia)*. The Foundation is a registered charitable organization under the Income Tax Act and, accordingly, is exempt from federal and provincial income taxes provided certain requirements of the Income Tax Act are met.

The Foundation's primary role is to provide supplemental grant-in-aid assistance to students who are residents of British Columbia and to assist mature students in upgrading their education and skills.

2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Fund accounting:

The General Fund accounts for revenue and expenses relating to the Foundation's general operating and administrative activities, the income earned on the Memorial and Trust Funds, and grants and bursaries disbursed in the year. At each year-end, the Foundation transfers the excess of revenue over expenses and grants and bursaries in this fund to the Credit Union Pioneers Memorial internally restricted fund to be used towards earning income to fund grants and bursaries in future years.

The Memorial and Trust Funds account for funds restricted for the purpose of earning income to be used towards funding grants and bursaries in accordance with the terms of the established funds and as approved by the Board of Directors.

(b) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions.

Externally restricted contributions which can only be used for purposes designated by the contributor are recognized as revenue of the restricted funds when received.

Restricted contributions received for which no specific restricted fund exists are deferred in the general fund and recognized as revenue when the funds have been spent in accordance with restrictions.

Unrestricted contributions are recognized as revenue in the general fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue in the general fund on an accrual basis.

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Significant accounting policies (continued):

(c) Financial instruments:

The Foundation's financial instruments are comprised of cash, term deposits, investments, and accounts payable and accrued liabilities.

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. Management has elected to carry investments at fair value. All other financial instruments are subsequently measured at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method. 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.

Financial assets carried at cost or amortized cost 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.

(d) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

3. Term deposits, at amortized cost:

The term deposits earn interest at 1.9% to 2.0% (2019 - 1.5% to 2.0%) and mature between January 2021 and July 2021 (2019 - July 2020 and January 2021). Term deposits with maturity dates in the next fiscal year have been classified as current assets.

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

4. Investments, at fair value:

	2020		2019	
	Market value	Cost	Market value	Cost
Fixed income and hedge strategies	\$ 3,136,348	\$ 2,986,860	\$ 3,132,444	\$ 3,084,159
Canadian equity	630,756	595,358	551,172	518,309
Global equity	1,224,213	936,101	1,058,327	895,250
Alternative investments	283,393	283,934	152,698	153,290
	<u>\$ 5,274,710</u>	<u>\$ 4,802,253</u>	<u>\$ 4,894,641</u>	<u>\$ 4,651,008</u>

5. Investment income:

	2020	2019
Interest	\$ 47,861	\$ 50,198
Capital gains distributions	139,465	-
Dividends	18,111	14,584
Other foreign income distributions	22,333	20,217
Realized gains	7,388	15,712
	<u>\$ 235,158</u>	<u>\$ 100,711</u>

6. Related party transactions:

Credit Unions in British Columbia are members of the Foundation and are considered related parties. The Foundation received contributions of \$161,965 (2019 - \$167,379) from the credit unions.

During the year ended December 31, 2020, the Foundation paid \$24,000 (2019 - \$36,000) to Central 1 Credit Union for administration services that are recognized in these financial statements as an expense.

These transactions are in the normal course of the Foundations operations and are recorded at the exchange amount.

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

7. Financial risk management:

The Foundation invests its various funds according to an Investment Policy Statement approved by the Board of Directors. This Statement outlines the objectives, policies and processes relating to investment activities and applies to all investments of the Foundation. Investment Policy guidelines include the minimum and maximum amount of Canadian equities, global equities, fixed income, real estate, mortgages, multi strategy funds, short term investments and cash. This diversification across various asset classes is designed to decrease the volatility of portfolio returns. The Board of Directors regularly review the Foundation's investments to ensure that all activities adhere to the Investment Policy Statement.

The Board of Directors has overall responsibility for the establishment and oversight of the Foundation's risk management framework, including risks related to financial management of assets.

(a) Credit risk:

Credit risk is the risk of loss resulting in the failure of a borrower or counterparty to honour its financial or contractual obligation to the Foundation. Credit risk arises primarily from the Foundation's term deposits and investments. The Foundation manages this risk by investing in high credit quality pooled funds and other investments as well as term deposits held with credit unions in British Columbia, which are fully insured by the Credit Union Deposit Insurance Corporation.

(b) Liquidity risk:

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The majority of the Foundation's assets are investments traded in active markets that can be readily liquidated and therefore the Foundation's liquidity risk is considered minimal. In addition, the Foundation aims to retain a sufficient cash position to manage liquidity.

(c) Market risk:

Market risk is the risk that changes in market prices, as a result of changes in foreign exchange rates, interest rates, equity prices and valuation of appraisal based assets, will affect the Foundation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

7. Financial risk management (continued):

(c) Market risk (continued):

(i) Currency risk:

Investments in foreign securities are exposed to currency risk due to fluctuations in foreign exchange rates. The Foundation is exposed to currency risk on its foreign market common stock, its foreign market bonds and debentures, foreign real estate and its multi-strategy funds, as the prices denominated in foreign currencies are converted to Canadian dollars in determining fair value. The objective of the Foundation's investment policy is to control currency risk by maintaining a geographically diversified portfolio. The bond portfolio is managed by an investment manager who is restricted as to the unhedged foreign currency component of the foreign bond investments.

From time to time, the Foundation's external investment fund managers may hold balances in cash and cash equivalents denominated in non-Canadian currencies. The currency risk related to these balances is not significant.

(ii) Interest rate risk:

Interest rate risk relates to the risk that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the Foundation. As part of its investment portfolio, the Foundation is invested in a number of fixed income instruments, individual bonds, pooled bond funds, as well as other private investments subject to interest rate risks.

Duration is the most common measure of the sensitivity of the price of a fixed income instrument to a change in interest rates. The Foundation's portfolio managers vary the duration of the fixed income holdings in their portfolios in order to accommodate possible changes in interest rate.

(iii) Equity price risk:

Equity price risk is the risk that the fair value of equity financial instruments will fluctuate due to changes in market prices. The Foundation is exposed to Equity price risk on its investments in equity pooled funds. The objective of the Foundation's investment policy is to manage Equity price risk by maintaining a portfolio which is diversified across geographic and industry sectors.

The COVID-19 pandemic situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the market prices of the Foundation's financial instruments is not known at this time.

There has been no change to the above risk exposures outlined above from 2019 other than the potential impact of COVID-19 as described.

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

8. Disclosure of employee and contractor remuneration:

The Society does not have any employees. For the year ended December 31, 2020, no contractor for services received total annual remuneration of \$75,000 or greater.

In accordance with the bylaws of the Society, no remuneration was paid to any Directors of the Society during the year.

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Schedule of Memorial and Trust Funds

Schedule 1

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
A Rod Glen International Trust Fund	\$ 522,061	\$ 522,061
Aldergrove Credit Union Trust	60,100	50,100
Ben Voth Memorial	10,000	10,000
Bob & Dorothy Bonshor Memorial Fund	8,800	8,600
Bruce Albion McDiarmid Memorial	1,600	1,600
Chemainus and District CU Pioneers Trust	2,500	2,500
Coast Capital Savings Credit Union Pioneers Memorial	3,190	3,190
Comox Valley Credit Union Pioneers Memorial	21,000	21,000
Credit Union Pioneers Memorial	3,577,385	3,176,141
Don Bentley Memorials	18,288	18,288
Donald & Bernice McDonough Memorial Fund	50,000	50,000
Envision Credit Union Pioneers Memorial	31,654	31,654
Farley B Dickinson Memorial	3,422	3,422
Flo & Bert Gladu Memorial	9,420	9,420
Garry Ermacora Memorial	10,000	10,000
George Viereck Memorial	18,878	18,878
Gordon Beggs Trust	5,000	5,000
Grant Thornton Perpetual Trust	126,109	126,109
Greater Vancouver Community C.U. Pioneers Memorial	89,352	87,252
Interior Savings C.U. Pioneers Trust.	77,443	77,443
Jerry & Belle Lundie Memorial & Bequest	58,664	58,664
John A H Duffie Scholarship Trust	3,200	3,200
John H. Lucas Memorial	6,413	6,413
Joseph C Selby Memorial	20,390	20,390
Kla How Ya Society A. Rod Glen Memorial	13,876	13,876
Lew Wood Bursary Trust	3,850	3,850
Lewis van der Gracht Trust Fund	10,400	10,400
Lucille Sutherland Bursary Trust	20,430	20,430
May Campbell Bursary Trust	15,000	15,000
Michael Bach Memorial	11,730	11,730
Michael J Tarr Memorial	31,859	31,859
Mount Lehman Credit Union Pioneers Memorial	4,610	4,610
Operating Engineers CU Pioneers Memorial	24,728	24,728
Paul Humphries Memorial	13,965	13,965
R.J. (Bob) McMaster Memorials & Bequest	34,459	34,459
Richard W. Slater Honorary Trust	10,250	10,250
Rose Moore Memorial	19,479	18,479
Sharons Credit Union Trust Fund	11,500	11,500
Shirley C. Schmid Bursary Trust Fund	8,225	8,225
Shirley Lewis Smith Memorial	15,700	15,700
Sid Butterfield Memorial & Bequest	21,370	21,370
Sunshine Coast Credit Union Trust	10,450	10,450
Terry Smith Memorial	131,909	131,909
Thomas Cooper Memorial	10,000	10,000
Tom Dearlove Memorial	10,000	10,000
United Savings Credit Union Trust	65,807	55,393
Val Pearson/Violet De Courcy Bursary Trust	4,750	4,750
Valley First Credit Union Heritage Trust	60,500	60,500
VanCity Savings Credit Union Perpetual Trust	50,000	50,000
Vancouver Firefighters' C.U. Pioneers Memorial	6,573	6,573
VanTel/Safeway Credit Union Pioneers Memorial	7,000	7,000
VP Credit Union Trust	11,100	11,100
Wallace Wright Bursary Trust	14,325	14,325
Wes Darling Memorial	6,902	6,902
Westminster Savings Credit Union Trust	79,912	79,912
Williams Lake & District Credit Union Trust	10,000	10,000
	\$ 5,485,528	\$ 5,060,570

CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Schedule of Contributions Received

Schedule 2

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Aldergrove Credit Union Trust	\$ 10,000	\$ -
Bob & Dorothy Bonshor Memorial Fund	200	200
Credit Union Pioneers Memorial	173,430	169,454
Greater Vancouver Community C.U. Pioneers Memorial	2,100	2,100
Interior Savings C.U. Pioneers Trust	-	29,646
Rose Moore Memorial	1,000	1,000
United Savings Credit Union Trust	10,414	-
	<u>\$ 197,144</u>	<u>\$ 202,400</u>

Nominating Committee Report

As part of the governance of the Credit Union Foundation of British Columbia, an annual election is held to fill vacant and maturing positions on the Board of Trustees. There were seven positions available in the 2021 election. Theresa Dergousoff is completing a 1-year term and Gus Hartl, David Lanphear and Gene Creelman are completing 3-year terms. Additionally, there were vacancies created with the resignations of Kari Johnson, Nicole Eich and Catherine Ludgate.

The call for nominations was made to the credit union system in February with a deadline of April 10, 2021. As of the deadline, the Foundation received nomination papers from six individuals:

- Gene Creelman, Interior Savings Credit Union
- Gus Hartl, Aldergrove Credit Union
- David Lanphear, Envision Financial
- Anita Cheng, Vancity Credit Union
- Kirsten McElgunn, Prospera Credit Union
- Jana Lukasek, Bulkley Valley Credit Union

With six candidates running for seven positions, we declare the above nominees elected as Trustees by acclamation.

On behalf of the credit union system, the Foundation would like to thank Kari Johnson, Nicole Eich and Catherine Ludgate for their contributions to the Board of Trustees in 2020. We also want to offer a special thanks to Theresa Dergousoff for the many years that she has been on the board. We particularly appreciate her accounting background and the hands-on work that she has done for the Foundation managing the books and liaising with our auditors.

In addition to the new trustees, the Board of Trustees includes those whose terms mature in 2022, being Jeff Shewfelt (G&F Financial Group) and Balbir Bains (GVC). Those maturing in 2023 include Tyler Patak (Central 1), Jessie Sidhu (Khalsa Credit Union), Nolan Hill (Williams Lake and District Credit Union) and Deborah Edwards (Coastal Community Credit Union).

Distinguished Service Awards

The BC Distinguished Service Awards are awarded to individuals in recognition of outstanding service in the BC credit union system. The award is not limited to credit union directors and employees but includes all persons who have made excellent contributions to the BC credit union system and the co-operative movement.

The Credit Union Foundation of BC has oversight of the Distinguished Service Awards program, and the call for nominations was made to the credit union system with a deadline of February 28, 2021. A special sub-committee met to review the nominations received and it was determined that both Helmut Pastrick (retired Central 1 Chief Economist) and Tamara Vrooman (former CEO, Vancity Credit Union) would receive a Distinguished Service Award. Both individuals were recognized in a special presentation held at the Central 1 annual general meeting in April.