

credit union  
foundation of BC



# 2022 Annual General Meeting Package

## Agenda

1. Call to Order
2. Introduction of Trustees
3. Minutes of the 2021 Annual General Meeting
4. Trustees' Report
5. Awards & International Grants Report
6. Marketing & Communications Report
7. Treasurer's Report
8. 2021 Financial Statements
9. Appointment of Auditor
10. Governance & Nominations Report
11. Good and Welfare
12. Adjournment

# 2022 Trustee Nominations



### **Bill Corbett**

Chief Executive Officer  
Stabilization Central  
Credit Union



### **Balbir Bains**

General Manager  
Greater Vancouver  
Community Credit Union



### **Kirsten l'Anson**

VP, People & Culture  
Community Savings  
Credit Union



### **Mindy Kailly**

VP, Treasury & Financial Risk  
Coastal Community  
Credit Union

## AGM 2022

Date:

**Tuesday May 17, 2022**

Time:

**11:00 am – 12:00 pm**

Place:

**Virtually via Microsoft Teams Meeting**

# 2021 AGM Minutes

## Credit Union Foundation of British Columbia

### Minutes of the Sixty Second Annual General Meeting held virtually on Thursday, May 13, 2021

President Gus Hartl called the meeting to order at 11:04 am and advised that the meeting was being recorded for the Foundation records.

**Quorum:** A quorum was declared present. The final registration showed attendance of 20 delegates, 3 Life Memberships, and 3 guests. All of those individuals in attendance joined the meeting online. There were no attendees joining the meeting via phone.

President Gus Hartl provided his opening remarks, noting that the format of the annual general meeting had 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, 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 2020 Annual General Meeting.

**Moved and Seconded:** That the minutes of the 2020 Annual Meeting of the Credit Union Foundation be adopted.

**Carried**

## Board of Trustees Report

President Gus Hartl shared several highlights from the Trustees Report for 2020, 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. post-secondary students in need of financial assistance for academic, technological or vocational training at accredited schools in the province.

The Trustees are pleased that in 2021 the Foundation will complete the transfer of 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 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 2020, as well as those credit unions who further supported the Foundation through donations to their named funds. Credit unions were encouraged to do their part in building greater awareness about the funding that's available to their members.

The President emphasized that 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 \$178,753 to students via 200 individual grants and through its 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. President Gus Hartl thanked these individuals for their invaluable contributions and welcomed Nicole Eich on board in a new role managing the programs of the Foundation.

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 2021 AGM package.

Deborah acknowledged that the previous year was an exceptionally challenging one for students, with disruption of classes, a shift to online learning, and decreased opportunities for employment, practicums and community involvement. Through these challenging times the Foundation was able to provide \$178,753 to students via individual grants and through the post-secondary annual grant program. This represents \$36,000 more in bursaries and support for 62 more students facing financial need than the previous year.

In 2020, through the Foundation's Post-Secondary Annual Grant Program, \$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.

Through the Individual Grants program, the Foundation 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.

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

Thanks were given to Balbir Bains, Nolan Hill, Kari Johnson, Tyler Patak and Jessie Sidhu for their contributions to the Awards Committee.

## **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 2020 financial statements, included in the 2021 AGM package.

KPMG's audit was conducted in February 2021 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 approximately the same as the prior year. Investments at Connor, Clark & Lunn (CC&L) grew by \$380,000 to \$5.274 million. Overall assets grew by \$423,000, which is added to the total funds balance. Those funds now total just over 5.485 Million. These Foundation funds exist in perpetuity, a legacy that 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 \$141,965. Coast Capital was thanked for donating \$20,000, included in the unrestricted fund contributions. Among other generous donations shown in schedule 2, a commendation was given to Aldergrove and G&F credit unions who this year added to their fund by \$10,000 and \$10,414 respectively.

The Foundation had much higher investment income over the prior year, mainly due to the full transition to CC&L. The Foundation also had another good year for unrealized gains on its investment portfolio, totaling close to \$260,000 for the year.

**Moved and Seconded:** To adopt the Auditors' Report of the Financial Statements for the year ending 2020 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 2021 fiscal year.

**Moved and Seconded:** To appoint KPMG as auditor for the Credit Union Foundation of BC for 2021 and that the Trustees be authorized to set remuneration.

**Carried**

Theresa then provided a summary on expenses from the statement of operations, and extended thanks to Audit and Finance committee chair Dave Lanphear, along with co-Audit Committee members Gus Hartl, Nolan Hill and Jeff Shewfelt. Thanks were also given to Kristyn LeBlanc and Alanna Dyani from Central 1 for their assistance in 2020, as well as to Nicole Eich. Theresa then thanked the full board as she will be stepping back from her Trustee position after serving for ten years.

## **Governance & Nominating Committee Report**

Committee chair Jeff Shewfelt presented the 2020 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 7 trustee positions available for election this year. 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 6 individuals: returning trustees Gene Creelman (Interior Savings), Gus Hartl (Aldergrove) and David Lanphear (Envision Financial), and applications from Anita Cheng (Vancity), Kirsten McElgunn, (Prospera) and Jana Lukasek (Bulkley Valley). With 6 candidates running for the 7 positions it was declared the nominees were elected as trustees by acclamation.

Two trustee terms will mature in 2022, including Jeff Shewfelt (G & F) and Balbir Bains (GVCCU). 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).

On behalf of the Foundation, Jeff extended thanks to Kari Johnson, Nicole Eich and Catherine Ludgate for their contributions to the Board of Trustees in 2020. Jeff also offered a special thanks to Theresa Dergousoff for the many years that she has been on the board.

Jeff noted how much the board appreciated her accounting background and the hands-on work that she has done for the Foundation managing the books, liaising with auditors and accepting the board's appointment to return as a Trustee over the past year.

On a separate note, Jeff then mentioned the Distinguished Service Awards. The Credit Union Foundation of BC has oversight of the Distinguished Service Awards program, which recognizes individuals for outstanding service in the BC credit union system and the co-operative movement. A call for nominations was made to the credit union system, and a special sub-committee of the Governance and Nominating committee met to review the nominations received.

It was determined that both Helmut Pastrick (retired Central 1 Chief Economist) and Tamara Vrooman (former CEO, Vancity Credit Union) would each receive a Distinguished Service Award. Both individuals were recognized in a special presentation held at the Central 1 annual general meeting in April. While the Foundation was unable to present these awards in person, the board was pleased to see so many credit union colleagues and guests gather online to congratulate Helmut and Tamara on these well-deserved awards.

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

## Good & Welfare

President Gus Hartl gave thanks to all of the BC credit unions who supported the Foundation's recommendation to defeat the Central 1 resolution to rescind the collection of dues, noting that their support was very much appreciated. No other Good and Welfare was brought forward by the membership.

**Adjournment:** The Chair thanked everyone for their attendance at the 2021 Annual General Meeting and the meeting was adjourned at 11:35 am.



Jeff Shewfelt, Secretary



Gus Hartl, President



# 2021 Annual Report

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# Trustees' Report for 2021

The Credit Union Foundation of BC (CUFBC) is a Canadian public foundation and registered charity, established in 1958 in the co-operative spirit by BC credit unions to maximize and leverage philanthropic granting in support of post-secondary education.

Since its inception, the CUFBC has collaborated with the credit union system, post-secondary institutions and other stakeholders to help understand and address critical gaps in how students overcome fundamental barriers to reaching a higher education. Over the course of this work, the CUFBC has become an important provincial source of funding for post-secondary education and training, supporting skills development and in turn local economic activity. It has also helped strengthen the engagement and participation of young people in the credit union system.

The CUFBC's awards program is primarily funded by earnings on its Memorial and Trust funds. Our sincere thanks go out to the credit unions who have supported the foundation through donations to their named funds, annual dues payments and other donations. We also thank federal credit unions for their generous support.

Over the past year, CUFBC trustees supported and expanded bursary funding, reviewed key governance procedures, engaged in strategic planning and led a brand refresh for the foundation. This was all with an eye to the future as we work to ensure the CUFBC is relevant and adaptable to the changing times we find ourselves in.

2021 showed us how Covid-19 has created lasting challenges for students and schools. In-person learning has significantly shifted to online formats, and employment and practicum opportunities have waned. Many students find themselves facing much higher debt levels than anticipated, and some have had to consider pausing their education. To help support students through these challenges, the CUFBC was proud to provide \$208,267 to students through 178 individual grants and our post-secondary grant program.

It was with sadness that we heard in December of the passing of a former CUFBC Trustee, Catherine Ludgate. A champion for social justice, Catherine was a true force for change; her contributions to the board were invaluable and she will be dearly missed. To honour her memory, the CUFBC has made a \$500 contribution to the BC Poverty Reduction Coalition.



**Receiving this bursary has eased some of my financial stress and has allowed me to focus on school. I am so grateful for the financial assistance the Credit Union Foundation has provided me with, especially during the more challenging times of the COVID-19 pandemic. Thank you!"**

**- Rachel, bursary recipient**

The CUFBC's board will see some changes in 2022. Gus Hartl, Jeff Shewfelt, Gene Creelman and Deborah Edwards will be departing the Board. These trustees have been wonderful assets to the CUFBC, lending us their time, knowledge and experience, and ultimately supporting the CUFBC's growth for many years. We want to sincerely thank each of them for their dedication to the CUFBC. We'd also like to congratulate Gus, Gene and Deborah on their retirements from their respective credit unions, and wish them well into the future.

In closing, we'd like to again acknowledge and thank the credit unions and individuals who support the work of the CUFBC. Together we are helping individuals to succeed and in turn building stronger and more vibrant communities.

Respectfully submitted

May 17, 2022

## Credit Union Foundation of British Columbia Board of Trustees

### **David Lanphear**

Envision Financial  
President

### **Jessie Sidhu**

Khalsa Credit Union  
Vice-President

### **Nolan Hill**

Williams Lake & District  
Credit Union  
Secretary

### **Jana Lukasek**

Bulkley Valley  
Credit Union  
Treasurer

### **Gus K. Hartl**

Aldergrove Credit Union  
Trustee

### **Jeff Shewfelt**

G&F Financial Group  
Trustee

### **Tyler Patak**

Central 1 Credit Union  
Trustee

### **Gene Creelman**

Interior Savings  
Credit Union  
Trustee

### **Deborah Edwards**

Coastal Community  
Credit Union  
Trustee

### **Balbir Bains**

Greater Vancouver  
Community Credit Union  
Trustee

### **Anita Cheng**

Vancouver City Savings  
Credit Union  
Trustee

### **Kirsten McElgunn**

Prospera Credit Union  
Trustee

### **Nicole Eich**

CUFBC Program  
Manager

### **Phil Moore**

Trustee Emeritus

### **Gene Blishen**

Trustee Emeritus

### **W.J. (Bill) Wright**

Trustee Emeritus

### **Meredith Pue**

Trustee Emeritus



**I am so appreciative of this and it is truly helping me to complete my studies! It takes a huge weight off my shoulders.**

**- Bursary recipient**

# Awards & International Grants Report for 2021

The Credit Union Foundation of BC is proud to provide education awards to BC post-secondary students who demonstrate financial need, reflect credit union values and show commitment to their communities. The Awards Committee is responsible for reviewing applications received and subsequently disbursing grants and bursaries to students.

2021 continued to be a challenging year for students, with disruption of classes, online learning, and decreased opportunities for employment, practicums and community involvement. The CUFBC was there to support students, providing \$208,267 through individual grants and our post-secondary grant program.

## Post-Secondary Annual Grant Program

In 2021, \$31,000 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 CUFBC 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 2021, the CUFBC received 262 applications and disbursed 178 bursaries totalling \$177,267. Of the 178 bursaries awarded, 132 went to credit union members and an additional 46 bursaries were awarded to non-members.

## 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 2021. However, the foundation was pleased to make a \$15,000 contribution towards the 2022 Canada DE program. This is an exciting co-operative leadership education program which sees participants from around the world.

In closing, thanks are due to Anita Cheng, Deborah Edwards, Kirsten McElgunn and Jessie Sidhu for their contributions to the Awards Committee.

Respectfully submitted,

**Nolan Hill**, Chair

Awards & International Grants Committee

# Marketing & Communications Report

It was a successful year for the Credit Union Foundation of BC's Marketing & Communications Committee. Early in 2021, we established our first marketing and communications framework, outlining all major milestones and deliverables for the year. The framework is scalable and reusable, allowing existing and new trustees to easily establish future annual plans, as well as benchmark against previous ones.

Next, we did an exhaustive review of our contacts list to ensure we continue to reach the right staff across the BC credit union network. In total, nearly 100 changes to the contact list were identified and made.

## CUFBC Brand Refresh

To remain current and relatable to our target audiences, the Marketing & Communications Committee also embarked on a major, multi-year initiative to modernize the CUFBC's brand identity. This is the first evolution of the brand since its creation.

We partnered with The Agency at Central 1 (The Agency) to support the ideation, creative development and execution of this new brand. After strategic consideration, supplemented by consultation from all trustees, we are excited to have chosen a new brand direction for the CUFBC:



*Previous Logomark*



*New Logomark*

At year-end, The Agency had completed the CUFBC's new brand guidelines book, its logo package and all print elements. Our focus for 2022 will be on the CUFBC's digital presence, including implementing a new version of the CUFBC's website and email campaign design.

We will also be implementing LinkedIn in 2022 to increase the CUFBC's overall brand awareness and to remain top of mind for credit union staff and members throughout the year. This will be the CUFBC's new high-touch channel and the Marketing & Communications Committee will be engaging a content strategist to support with its successful implementation. The CUFBC will also be hosting a re-education session with BC credit unions on its purpose. We will use this opportunity to discuss the new brand and to hear from credit unions what marketing and communication deliverables our committee can create to support credit unions promoting the CUFBC.

We look forward to sharing the CUFBC's full new brand with the BC credit union system during the 2022 spring bursary period and at our 2022 Annual General Meeting!

Respectfully submitted,

**Tyler Patak**, Chair  
Marketing & Communications Committee

# 2021: A Year in Review

We're proud to be a key source of province-wide funding, helping students get the post-secondary education and training they need to develop their skills, achieve their goals and contribute great things to their communities.

**64  
years**

since CUFBC was  
founded in the  
co-operative spirit  
of BC credit unions

**178  
students**

received CUFBC support

**\$177,267**

in bursaries were awarded



Bursary recipients attended  
schools all across BC:

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



Many of our bursary recipients plan to give back to their communities through careers in health sciences, social work, education, and mental health support

# Testimonials

**“As we reflect on a year of adversity, grief and resilience, we are reminded of the kindness we’ve seen in humanity when one person helps another. Your annual gift helps put education within reach and supports a vision to empower students to transform their communities and the world.”**

**- Thompson Rivers University**

**“I would like to thank you for the funds being provided to myself and my daughter during this hard time. I will not experience a financial burden that could potentially interfere with my studies and determination. Thank you again for all the support. Lim’limpt.”**

**- Bursary recipient**



**“I have hopes of pursuing a Masters Degree in Nursing to further my education. I look forward to a very rewarding career as a Registered Nurse where I am able to make a meaningful impact on the lives of others within my community.**

**Your generous contribution to my education is greatly appreciated. This bursary will help to ease the financial stress that comes along with attending post-secondary education, and it will allow me to invest all my time into my studies.”**

**- Bursary recipient**

**“I would like to give my sincerest thanks for this bursary! I want to serve the people of Vancouver by becoming a doctor or counsellor who specializes in BIPOC and women’s health care. As a future health care provider, I will integrate cultural awareness and anti-racism into my practice to help people heal their minds and bodies.”**

**- Bursary recipient**

**“I would like to say how grateful I am for the generous bursary from the Credit Union Foundation of BC! This funding will help me a lot financially in these uncertain times. I will work very hard and eventually give back to the community and others.”**

**- Bursary recipient**

# Governance & Nominations Report

As part of the governance of the Credit Union Foundation of BC, an annual election is held to fill vacant and maturing positions on the Board of Trustees. There were seven positions available in the 2022 election. Balbir Bains is completing a 1-year term. We congratulate Deborah Edwards who has retired and thus resigned from her role as Trustee. We also congratulate both Gus Hartl and Gene Creelman who have recently retired. Both are completing 1-year terms and have advised that they will not be seeking reelection. Additionally, Jeff Shewfelt is completing a 3-year term and has indicated that he will not be seeking reelection. Gus, Gene, Jeff and Deborah are completing 13, 11, 9 and 4 years of service to the foundation, respectively.

The call for nominations was made to the credit union system in February with a deadline of March 31, 2022. As of the deadline, the foundation received nomination papers from four individuals:

- Balbir Bains, Greater Vancouver Community Credit Union
- Bill Corbett, Stabilization Central Credit Union
- Kirsten l'Anson, Community Savings Credit Union
- Mindy Kailly, Coastal Community Credit Union

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

On behalf of the credit union system, the CUFBC would like to thank Gus Hartl, Gene Creelman, Deborah Edwards and Jeff Shewfelt for their longstanding contributions to the Board of Trustees. We also want to offer a special thanks to former Trustee Theresa Dergousoff for her assistance and advice over the past year.

In addition to the new Trustees, the Board of Trustees includes those whose terms mature in 2023, being Tyler Patak (Central 1 Credit Union), Jessie Sidhu (Khalsa Credit Union), and Nolan Hill (Williams Lake and District Credit Union). Those maturing in 2024 include Dave Lanphear (Envision Financial), Anita Cheng (Vancouver City Savings Credit Union), Jana Lukasek (Bulkley Valley Credit Union) and Kirsten McElgunn (Prospera Credit Union).

The Credit Union Foundation makes a significant difference in our communities and is a great demonstration of the difference that credit unions can make when they collaborate. We invite you or your staff to inquire about how they can contribute to the life changing support that the CUFBC can make in people's lives.

Respectfully submitted,

**Anita Cheng**, Chair  
Governance & Nominating Committee

# Treasurer's Report for 2021

Total assets amounted to \$5,867,772, up 6.9% from 2020. Prior to 2016, the Credit Union Foundation of BC's assets were invested in 36 British Columbia credit unions and in Central 1. In 2016 we amended our investment policy and have now transitioned the investments to a managed fund with Connor Clark and Lunn ("CC&L"), with the hopes of realizing a better return in the long run.

Revenues totaled \$712,275 (2020 – \$696,222) consisting of interest and investment earnings of \$283,764 (2020 – \$260,519), donations from credit unions and individuals of \$53,300 (2020 – \$55,179), membership dues of \$4,100 (2020 – \$4,100) and credit union members' dues of \$ 144,842 (2019 – \$141,965). We had an unrealized gain on investments of \$226,269 at the end of 2021 (2020 – \$234,459).

Total expenses were \$125,891, up \$33,328 from \$92,563 in 2020. This is mainly due to fees paid to CC&L for managing our investments, which were \$51,879 (2020 – \$42,774), reflecting an increase in funds under management. Marketing fees also increased to \$21,138 in 2020 up from \$630 in 2019 due to a brand refresh project that was approved by the Board.

Our awards are channeled into helping British Columbians further their education. For 2021, these awards totaled \$223,267 (2020 – \$178,701); of this amount, \$31,000 (2020 – \$27,447) was directed towards universities and colleges, \$ 177,267 was for bursaries (2020 – \$151,254), and \$15,000 funded the Credit Union Development Education ("DE") program at Saint Mary's University. In 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 CUFBC transferred \$329,317 to the Credit Union Pioneer's Memorial Trust Fund (2020 – \$389,779).

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 are environmentally and socially conscious with good governance and good practices typically perform better. The embracing of responsible investing is reflected in our portfolio.

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

This is my first year as a part of the CUFBC Board and I am trying to fill the big shoes left by Theresa Dergousoff who resigned from the Board at the last AGM and has been a wonderful mentor throughout my first year. As Treasurer, I would like to thank my fellow Audit and Finance committee members, and our Program Manager, Nicole Eich, who have all been patient while I learn my new role with the CUFBC. 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

**Jana Lukasek**, CPA, CGA

Treasurer

# Financial Statements for 2021

Financial Statements of

## **CREDIT UNION FOUNDATION OF BRITISH COLUMBIA**

And Independent Auditors' Report thereon

Year ended December 31, 2021



KPMG LLP  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

## 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, 2021
- 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, 2021, 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



### ***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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vancouver, Canada  
April 8, 2022

# CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

## Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
<b>Assets</b>		
Current assets:		
Cash	\$ 135,920	\$ 127,896
Term deposits, at amortized cost (note 3)	-	86,011
	135,920	213,907
Investments, at fair value (note 4)	5,731,852	5,274,710
	<u>\$ 5,867,772</u>	<u>\$ 5,488,617</u>

## Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 19,627	\$ 3,089
Fund balances:		
Memorial and Trust Funds (note 9, Schedule 1)	5,848,145	5,485,528
	<u>\$ 5,867,772</u>	<u>\$ 5,488,617</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

*Dave Lanphear*

Director



Director

# CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

## Statement of Operations and Fund Balances

Year ended December 31, 2021, with comparative information for 2020

	Unrestricted General Fund	Restricted Memorial and Trust Funds	2021 Total	2020 Total
<b>Revenue:</b>				
Contributions (note 6, Schedule 2)	\$ 164,842	\$ 33,300	\$ 198,142	\$ 197,144
Corporate member dues	4,100	-	4,100	4,100
Investment income (note 5)	210,108	-	283,764	260,519
Unrealized gain on investments	299,925	-	226,269	234,459
	678,975	33,300	712,275	696,222
<b>Expenses:</b>				
Administration services (note 6)	34,492	-	34,492	33,334
Marketing (note 6)	21,138	-	21,138	630
Investment management fees	51,879	-	51,879	42,774
Audit and legal fees	13,218	-	13,218	14,050
Office and other	5,164	-	5,164	1,775
	125,891	-	125,891	92,563
Excess of revenue over expenses before grants and bursaries	553,084	33,300	586,384	603,659
Grants and bursaries paid	(223,767)	-	(223,767)	(178,701)
Excess of revenue over expenses, grant and bursaries	329,317	33,300	362,617	424,958
Fund balances, beginning of year	-	5,485,528	5,485,528	5,060,570
Interfund transfer (note 2(a))	(329,317)	329,317	-	-
Fund balances, end of year	\$ -	\$ 5,848,145	\$ 5,848,145	\$ 5,485,528

See accompanying notes to financial statements.

# CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

## Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses, grants and bursaries	\$ 362,617	\$ 424,958
Items not involving cash:		
Unrealized gain on investments	(226,269)	(234,459)
Changes in non-cash operating working capital items:		
Accounts payable and accrued liabilities	16,538	(1,481)
	152,886	189,018
Investments:		
Redemption of term deposits	86,011	-
Purchase of investments, net	(230,873)	(145,610)
	(144,862)	(145,610)
Increase in cash	8,024	43,408
Cash, beginning of year	127,896	84,488
Cash, end of year	\$ 135,920	\$ 127,896

See accompanying notes to financial statements.

# CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

## Notes to Financial Statements

Year ended December 31, 2021

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### 1. Operations:

Credit Union Foundation of British Columbia (the "Foundation") was 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, 2021

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## 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 held at December 31, 2020 earned interest at 1.9% to 2.0% and matured between January 2021 and July 2021.

# CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 4. Investments, at fair value:

	2021		2020	
	Market value	Cost	Market value	Cost
Fixed income and hedge strategies	\$ 3,138,933	\$ 3,063,274	\$ 3,136,348	\$ 2,986,860
Canadian equity	808,370	647,163	630,756	595,358
Global equity	1,349,159	916,236	1,224,213	936,101
Alternative investments	435,390	421,167	283,393	283,934
	<u>\$ 5,731,852</u>	<u>\$ 5,047,840</u>	<u>\$ 5,274,710</u>	<u>\$ 4,802,253</u>

## 5. Investment income:

	2021	2020
Interest	\$ 70,427	\$ 47,861
Capital gains distributions	86,444	139,465
Dividends	20,764	18,111
Other foreign income distributions	23,400	22,333
Realized gains	82,729	32,749
	<u>\$ 283,764</u>	<u>\$ 260,519</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 \$164,842 (2020 - \$161,965) from the credit unions.

During the year, \$19,500 was incurred for brand refresh marketing related services performed by Central 1 (2020 - \$24,000 for administration services). \$17,325 (2020 - nil) of this amount remains payable and included in accounts payable and accrued liabilities as at December 31, 2021.

These transactions are in the normal course of the Foundation's operations and are recorded at the exchange amount.

# CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 7. Financial risks:

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, and alternative investments including real estate, infrastructure, loan portfolio, 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 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.

#### (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 global equity pooled 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.

# CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## 7. Financial risk management (continued):

### (c) Market risk (continued):

#### (i) Currency risk (continued):

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 including pooled bond funds and private loan portfolio subject to interest rate risks. These holdings total \$2,175,825 as at December 31, 2021 (2020 - \$2,194,483).

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 significant change to the above risk exposures from 2020 other than the potential impact of COVID-19 as described.

## 8. Disclosure of employee and contractor remuneration:

The Society does not have any employees. For the year ended December 31, 2021, no contractor for services (2020 - nil) 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

Notes to Financial Statements (continued)

Year ended December 31, 2021

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## **9. Memorial and Trust Funds:**

During the year ended December 31, 2021, the Lew Wood Bursary Trust, the United Savings Credit Union Trust, and the Val Pearson/Violet De Courcy Bursary Trust were merged into the G&F Financial Group Trust fund which was formed during the year.

## **10. Comparative information:**

Certain comparative information has been reclassified to conform to the financial statement presentation adopted for the current year.

# CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Schedule of Memorial and Trust Funds

Schedule 1

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
A Rod Glen International Trust Fund	\$ 522,061	\$ 522,061
Aldergrove Credit Union Trust	60,100	60,100
Ben Voth Memorial	10,000	10,000
Bob & Dorothy Bonshor Memorial Fund	9,000	8,800
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	3,906,702	3,577,385
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
G&F Financial Group Trust (note 9)	104,407	-
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	91,452	89,352
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 (note 9)	-	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	20,479	19,479
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 (note 9)	-	65,807
Val Pearson/Violet De Courcy Bursary Trust (note 9)	-	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
	<b>\$ 5,848,145</b>	<b>\$ 5,485,528</b>

# CREDIT UNION FOUNDATION OF BRITISH COLUMBIA

Schedule of Contributions Received

Schedule 2

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Aldergrove Credit Union Trust	\$ -	\$ 10,000
Bob & Dorothy Bonshor Memorial Fund	200	200
Credit Union Pioneers Memorial	164,842	173,430
G&F Financial Group Trust (note 9)	30,000	-
Greater Vancouver Community C.U. Pioneers Memorial	2,100	2,100
Rose Moore Memorial	1,000	1,000
United Savings Credit Union Trust	-	10,414
	<u>\$ 198,142</u>	<u>\$ 197,144</u>