



WESTMINSTER
SAVINGS
FOUNDATION

Annual Report
2020

prospera
CREDIT UNION

Report from the Board of Directors

The Westminster Savings Foundation (“the Foundation”) is one of the largest credit union foundations in Canada and is committed to helping its communities thrive. Through its community investment program, the Foundation puts much-needed financial support into BC communities, enriching lives, and making our local neighbourhoods a healthier and more inclusive place to live.

As a result of a merger between Westminster Savings Credit Union and Prospera Credit Union in 2020, the Foundation extended its funding to support families and youth in need across its new trade areas, reaching from Metro Vancouver, to the Fraser Valley, and the Okanagan. In 2020, the Foundation was committed to supporting arts and active living programs for families and youth facing financial barriers, and in total invested more than \$334,000 into our local communities. The Foundation has three main partners: Arts Umbrella, KidSport BC, and Special Olympics BC who continued to safely provide engaging programs and resources to families, individuals, and youth. The Foundation distributed \$75,000 in grants to each organization throughout the year.

Many of the Foundation’s funding partners had to adapt their programs to continue to offer valuable resources to families in need during the COVID-19 pandemic. With the funding received this year, many chose to invest in digital upgrades and new virtual hosting platforms as they moved many of their programs online.

The Foundation is proud to have disbursed over \$4.8 million in charitable grants since 1992 and remains committed to supporting local communities moving forward.



Central Okanagan Food Bank
Evergreen Cultural Centre Society

Thank you for providing such a rich learning experience for children in a fun and welcoming environment. My daughter and I have loved coming by to explore the exhibitions and participate in Family Days. The staff is excellent, the activities use high-quality materials, and we both come away with great memories and our own art pieces! During the pandemic, the gallery had all the necessary safety protocols in place to participate in person (while being distanced from other families). I am very grateful to have this wonderful resource in our community!

– Andrea J., Evergreen parent

Our Community Partners



ARTS UMBRELLA

Through our partnership with Arts Umbrella, young families and children facing geographical, cultural or financial limitations were given access to high-quality arts programming free of charge or at a reduced rate. In 2020, the Artful Afternoons program helped over 130 children and teens find purpose through painting and stage performances and stimulated emotional, physical, and cognitive development. This year, Arts Umbrella mailed over 300 Student Art Kits to at-risk youth, which contained high-quality art supplies and creative prompts to ignite their imagination while provincial health restrictions were in effect.



The support that the Foundation has provided to the KidSport Program is significant! The ability to provide financial support especially during uncharted times allows KidSport and its community chapters to continue to provide opportunities for kids to participate in organized sport. This support allows us to pursue our mission to remove the financial barriers that prevent some children from playing organized sport! The Foundation provides this opportunity so all kids can play!

– Christine Wong, KidSport BC Manager



KIDSPORT BC

KidSport is committed to helping families remove the financial barriers that prevent children from playing organized sports. In 2020, the Foundation supported families in need from 40 cities across BC as they continued their KidSport programs, giving over 200 kids the chance to play a full season of sport. To support its communities, the KidSport provincial office became a resource center to provide volunteers and the community with important information regarding the return to sport COVID-19 guidelines. It also hosted informational sessions and increased communication efforts on behalf of community initiatives.





SPECIAL OLYMPICS BC

Despite the unique circumstances of 2020, Special Olympics BC (SOBC) remained committed to enriching the lives of athletes in the Lower Mainland. With in-person programs stopping in March, they developed virtual health education events, at-home training and wellness sessions, and livestreamed Facebook events that connected over 2,400 members of the community to trainers, mentors and athletes. A first-ever virtual competition, complete with an award ceremony, took place in the fall with over 50 competitors. The Foundation's partnership with SOBC helped create a new platform to connect and uplift athletes, coaches, volunteers, families, and supporters.

The Foundation's generous support has made a huge difference for Special Olympics BC. Many people with intellectual disabilities have felt the pain of exclusion long before the pandemic, and many of them lost their main source of social connections when SOBC programs had to pause. Their support helped us ensure that athletes continue to feel connected and allowed us to develop resources so athletes can maintain their training and health at home. Their funding is also helping us safely restart our life-changing sport, health, and youth programs that are so important to more than 5,200 athletes in communities across the province.

– Dan Howe, President & CEO, Special Olympics BC



ARTSTARTS IN SCHOOL

ArtStarts gives children and families the opportunity to join free monthly art workshops at the River Market in New Westminster. With the funding they received from the Foundation in 2020, workshops continued virtually, providing online performances and workshops by talented artists that explored a wide range of cultures and artistic disciplines.



I could tell by her wide eyes that she felt like the CAN coaches were talking to her directly. Kaya's school had moved to virtual classes this past spring and she truly struggled. But with CAN's programs, she finally started to pay attention in the online format.

- Iveta Nelson, CAN parent



CANUCKS AUTISM NETWORK

The Canucks Autism Network helps families with autistic children or dependents engage with one another through various learning development programs and sporting activities. Over 7,400 individuals participated in both virtual and in-person programs administered by trained coaches, experienced support workers, and dedicated volunteers.



SOUTH VANCOUVER FAMILY PLACE

The Foundation's relationship with South Vancouver Family Place (SVFP) has made a difference in the lives of over 500 families in 2020. Throughout the pandemic, the virtual Family Place Drop-In program was a welcoming and safe place for families to share their experiences of parenthood. Over 100 parenting videos were created and published, and 300 programs ranging from story time to counselling were livestreamed. With the support of the Foundation's funding, the SVFP brought families and children together from the safety of their own homes.



THE ACT ARTS CENTRE

The Foundation's support of the Maple Ridge ACT Arts Centre provides opportunities for families to take part in art performances and programs. This year, they offered online learning programs and created a virtual gallery showcasing local artists. By the fall, three programs safely opened with a limited capacity and the planning began for their new permanent online gallery tours.





CENTRAL OKANAGAN FOOD BANK

The Central Okanagan Food Bank (COFB) supports families and individuals in need across the entire Kelowna community. Each month, the COFB helps over 4,000 individuals and distributes over \$3.5 million in food per year. With needs increasing significantly this year, the Foundation's support helped provide much needed services to over 400 new individuals.



In a time where the Central Okanagan Food Bank saw our clients' needs increase overnight, the support that the Foundation was able to provide was incredible. From our organic connection at our one and only event in 2020, we were invited to become a community partner and funding recipient. This integral support came to the COFB in a time of increased need and decreased fundraising ability. More than that, the Foundation has allowed our team to navigate this funding to make sure the support landed where we really needed it most.

– Trevor Moss, CEO, Central Okanagan Food Bank



MISSION HOSPICE SOCIETY

The Mission Hospice Society (MHS) provides compassionate care, resources and advocacy to enhance the quality of life for individuals and families facing grief, loss or end of life transition. With the Foundation's support and the commitment of their volunteers, MHS supported over 600 individuals both in-person and virtually in 2020.



EVERGREEN CULTURAL CENTRE SOCIETY

The Evergreen Cultural Centre provides access to meaningful art workshops to children and their parents. The Foundation's support in 2020 gave over 790 children in the Tri-Cities area the opportunity to stay creative while spending more time at home due to COVID-19.



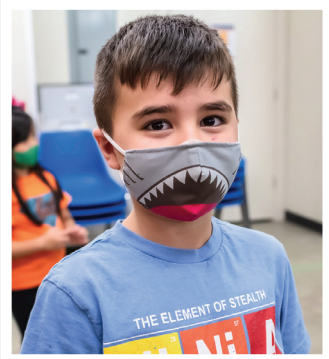
About the Westminster Savings Foundation

The Westminster Savings Foundation is guided by a dedicated board of directors and senior executives of Prospera Credit Union and is a registered charity with the Canada Revenue Agency. In December 1992, the Foundation was incorporated under the former B.C. Society Act and in June 2017 transitioned to the B.C. Societies Act, which came into force on November 28, 2016.

The Westminster Savings Foundation has contributed more than \$4.8 million in financial support to local organizations since its incorporation in 1992 and has \$9.7 million in assets as at December 31, 2020. The Foundation receives all its capital from the credit union and income earned on this capital helps fund donations to a variety of charitable organizations in our communities each year.



Arts Umbrella



For more information visit
prospera.ca/foundation

With the support from the Foundation, we've delivered life-changing visual art and theatre programs at our facilities and in numerous local schools. These programs reach students aged 2-19 who might not otherwise have access to a high-quality arts education due to geographical, cultural, or financial barriers. Over the years, we have witnessed hundreds of young people develop not just their creative expression, but their interpersonal skills, confidence, and critical thinking abilities – all of which will be theirs forever.

– Paul Larocque
President & CEO, Arts Umbrella

Financial Statements of Westminster Savings Foundation

Year ended December 31, 2020



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Westminster Savings Foundation

Opinion

We have audited the financial statements of Westminster Savings Foundation (the Entity), 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 to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at 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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in

Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

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

Management is responsible for the preparation and fair presentation of 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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- 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 4, 2021

STATEMENT OF FINANCIAL POSITION

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

	Note	2020	2019
Assets			
Current assets			
Cash and cash equivalents		\$ 301,694	\$ 84,252
Short-term investments	4	93,402	205,766
Interest receivable		57,870	57,981
Dividends receivable		18,585	19,678
		471,551	367,677
Investments			
Term deposits and fixed income investments	4	4,688,684	4,712,570
Preferred shares	4	4,578,034	4,512,230
		9,266,718	9,224,800
		9,738,269	9,592,477
Liabilities and Fund Balances			
Fund balances			
Non-restricted fund		\$ 236,019	\$ 90,227
Restricted fund		9,502,250	9,502,250
		\$ 9,738,269	\$ 9,592,477

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board:



Rod Thomson
Chair, Director



Maury Kask
President, Director

STATEMENT OF OPERATIONS AND FUND BALANCES

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

	Note	2020			2019		
		Non-restricted	Restricted	Total	Non-restricted	Restricted	Total
Revenues							
Interest		\$ 175,992	\$ -	\$ 175,992	\$ 198,993	\$ -	\$ 198,993
Dividends		238,062	-	238,062	202,474	-	202,474
Gain on sale of investments		-	-	-	13,240	-	13,240
Unrealized gains on investments		65,804	-	65,804	8,303	-	8,303
Expenditures							
Community grants	5	(334,066)	-	(334,066)	(327,566)	-	(327,566)
Surplus of revenues over expenditures		145,792	-	145,792	95,444	-	95,444
Fund balance, beginning of year		90,227	9,502,250	9,592,477	(5,217)	9,502,250	9,497,033
Fund balance, end of year		\$ 236,019	\$ 9,502,250	\$ 9,738,269	\$ 90,227	\$ 9,502,250	\$ 9,592,477

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

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

	2020		2019	
Cash provided by (used in)				
Operating activities				
Surplus of revenues over expenditures	\$	145,792	\$	95,444
Items not affecting cash				
Unrealized gains on investments		(65,804)		(8,303)
Gain on sale of investments		-		(13,240)
Changes in non-cash operating items				
Premium amortization on fixed income investments		23,886		25,057
Interest receivable		111		6,049
Dividends receivable		1,093		(6,517)
Net cash provided by operating activities		105,078		98,490
Investing activities				
Purchase of preferred shares		-		(1,245,750)
Purchase of short-term investments		(93,402)		(205,766)
Sales of short-term investments		205,766		-
Sale of term deposits and fixed income investments		-		760,880
Net cash provided (used) in investing activities		112,364		(690,636)
Increase (decrease) in cash and cash equivalents		217,442		(592,146)
Cash and cash equivalents, beginning of year		84,252		676,398
Cash and cash equivalents, end of year	\$	301,694	\$	84,252

The accompanying notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2020

1. Purpose of the foundation

Westminster Savings Foundation (the foundation) was incorporated under the former *British Columbia Society Act* in December 1992 and transitioned to the new *Societies Act (British Columbia)* in 2017, to create a permanent source of funds to support various organizations and activities that work to improve the quality of life within the general trade area of Prospera Credit Union (the credit union).

Westminster Savings Credit Union and Prospera Credit Union amalgamated effective January 1, 2020 to form a single credit union that will operate under the name Prospera Credit Union.

The foundation is registered as a tax-exempt charity with Canada Revenue Agency under Paragraph 149(1)(f) of the *Income Tax Act*.

2. Significant accounting policies:

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook.

a. Fund accounting

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

- (i) **Restricted fund:** All funds to the foundation are donated by the credit union and are deemed to be permanent at the time of the donation. These funds are restricted for a minimum of a ten-year period, after which funds may be transferred to the unrestricted fund with Board of Directors (board) approval. The board exercises discretionary control over the investment of these restricted funds according to the foundation's Statement of Investment Policy as approved by the board.

- (ii) **Unrestricted fund:** Investment income earned is reported in the unrestricted fund. Unrestricted funds are available for the foundation's support of community organizations through community grants. The board may, under certain conditions, transfer funds from the restricted fund to the unrestricted fund as per note 2(a)(i).

b. Use of estimates

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

c. Financial instruments:

The foundation's financial instruments consist of cash and cash equivalents, interest and dividends receivable and investments.

- (i) **Cash and cash equivalents:** Cash and cash equivalents include cash on hand and term deposits, which are highly liquid with original maturities of less than three months.
- (ii) **Investments**
 - Short-term investments:** Short-term investments include term deposits with terms to maturity between three months and less than one year.
 - Long-term investments:** Long-term investments include term deposits and fixed income investments with terms to maturity greater than one year and preferred shares with no specific maturity.

All financial instruments are initially measured at fair value and subsequently measured as follows:

Assets/liabilities	Measurement
Cash	Fair value
Preferred shares	Fair value
Term deposits	Amortized cost
Fixed income investments	Amortized cost
Interest receivable	Amortized cost
Dividends receivable	Amortized cost

Financial instruments subsequently measured at amortized cost are adjusted by transaction costs and financing costs incurred on acquisition, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the foundation expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Realized and unrealized gains and losses for financial assets carried at fair value are classified as realized and unrealized gains and losses in the statement of operations.

d. Revenue recognition

Contributions to the restricted or unrestricted fund are recognized as revenue when they are received or receivable, provided the amounts are measurable and collection is reasonably assured.

Interest on investments is recorded on an accrual basis. Dividends that have been declared are recorded as income on the date of record set for the dividend. Fair value changes in investments is recognized separately and comprises realized and unrealized gains and losses on investments.

All investment and interest income earned on funds is recognized as revenue in the unrestricted fund.

e. Grants

Grants are recorded when paid by the foundation.

f. Donated services

The foundation benefits from donated services in the form of volunteer time for various committees and administration from the credit union. Due to the difficulty of determining their fair value, donated services are not recognized in these financial statements.

g. Related party transactions

Related party transactions occur in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Details of related party transactions are disclosed in note 6.

3. Operations

The foundation is managed by a board that consists of members of the credit union's Board of Directors as well as senior managers of the credit union. The foundation intends to use the income generated from investments to provide support to community organizations. The board of the foundation has determined that grants will be allocated in the following categories: arts, active living and other.

4. Investments

The foundation has investments with the credit union and CIBC Wood Gundy. These include short-term investments, term deposits and fixed income investments, and preferred shares. The following are the weighted-average interest rates and maturity terms:

Maturity	Average rate	2020	2019
Short-term investments			
2021	1.15%	\$ 93,402	\$ 205,766
Term deposits and fixed income investments			
2022	2.25%	200,000	200,000
2023	3.73%	940,216	946,977
2027	3.54%	1,399,785	1,402,285
2031	4.07%	2,148,683	2,163,308
		4,688,684	4,712,570
Preferred shares ¹	5.15%	4,578,034	4,512,230
		9,360,120	9,430,566

¹Preferred shares do not have a maturity date.

5. Community grants

The following community grants were made during the year ended December 31:

	2020	2019
Children's Arts Umbrella Association	\$ 75,000	\$ 75,000
KidSport British Columbia	75,000	75,000
Special Olympics British Columbia Society	75,000	75,000
The Art Starts in Schools Society	20,000	20,000
Canucks Autism Network Society	20,000	20,000
Maple Ridge and Pitt Meadows Arts Council	20,000	20,000
South Vancouver Family Place Society	20,000	20,000
Central Okanagan Food Bank	12,033	-
Mission Hospice	12,033	-
Evergreen Cultural Centre Society	5,000	5,000
Canuck Place Children's Hospice Society	-	10,000
Semiahmoo House Society	-	7,566
	\$ 334,066	\$ 327,566

6. Related parties

The credit union is related to the foundation by virtue of its representation on the foundation's board. The credit union currently provides most personnel, facilities and administrative services necessary for the operation of the foundation.

Related party transactions as at December 31, 2020 and for the year then ended not separately disclosed in the financial statements include the following:

- The credit union maintains deposits on behalf of the foundation of \$296,073 (2019 - \$439,205).
- The credit union paid interest on these deposits of \$6,722 (2019 - \$6,110).
- The credit union did not sell preferred shares to the foundation (2019 - \$645,750).

7. Financial risks

The foundation manages its investment portfolio to earn investment income and invests according to a board approved Statement of Investment Policy. Investments in financial institutions and corporate institutions are highly liquid and can be disposed of to settle commitments. Term deposits held are accessible when the term deposits mature. The investments are detailed in note 4.

Market risk is the risk that the fair value of an investment decreases due to changes in market conditions. On March 11, 2020 the outbreak of COVID-19 was declared a pandemic by the World Health Organization. As a result of the COVID-19 outbreak, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the ultimate impact or duration of the volatility on the investments held by the foundation. The foundation is exposed to market risk on its investments in corporate bonds and preferred shares. This risk is mitigated by ensuring asset allocation targets are met and that investments are in compliance with all the investment criteria prescribed in the foundation's Investment Policy. The objective of market risk management is to monitor investments to identify market value fluctuations which indicate an investment is impaired.

Liquidity risk is the risk that the foundation will not be able to meet its financial obligations as they fall due. Since all the foundation's assets are held in investments that can be readily liquidated, the foundation's liquidity risk is considered minimal.

Credit risk is the risk of financial loss to the foundation when the credit quality of an investment deteriorates and the issuer of the financial instrument is unable to meet its contractual obligations. The foundation holds investments in corporate bonds, preferred shares and deposits, which potentially expose it to credit risk. The foundation does not consider there to be significant credit risk as its investments are held in large Canadian public

entities with acceptable credit ratings. Credit risk is also considered low for deposit investments held with the credit union.

Interest rate risk is the risk that the foundation's investments will change in fair value due to future fluctuations in market interest rates. The foundation has an exposure to interest rate risk as a portion of its revenue is derived from interest on its fixed income investments. Management frequently reviews the interest rates to mitigate risk to the foundation.

The foundation is not involved in any hedging relationships and does not hold or use any derivative financial instruments for trading purposes.

WESTMINSTER FOUNDATION BOARD OF DIRECTORS

Board attendance in 2020

Director	Office Held	Board Meeting 3 March 2020	AGM 19 May 2020	Board Meeting 3 Sep 2020	Director Attendance
Rita Virk	Vice Chair	1	1	1	3
Art Van Pelt	Director only	1	1	1	3
Rod Thomson	Chair	1	1	1	3
Eric Nadin	Director only	1	1	1	3
Maury Kask	President	1	1	1	3
Mary Falconer	Secretary-Treasurer	1	1	1	3
		6	6	6	

Contact

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