



UNLOCKING THE
POTENTIAL OF
DORMANT ASSETS

**BRITISH COLUMBIA
UNCLAIMED
PROPERTY SOCIETY**

ANNUAL REPORT 2020



BCUPS serves as a “lost and found” for unclaimed funds sitting in dormant accounts in British Columbia. We actively search for owners of forgotten funds and maintain a free, searchable public database of unclaimed money in the province. We also work to unlock the potential of dormant assets through focused philanthropy that supports communities and enriches lives.

About BCUPS

The BC Unclaimed Property Society (BCUPS) is a registered not-for-profit established in 2003 by the Province of British Columbia and Vancouver Foundation to administer British Columbia’s unclaimed property program. BCUPS’s mission is to reunite British Columbians with their forgotten or unclaimed money in dormant accounts held by companies and organizations.

What We Do

Under the *Unclaimed Property Act*, BCUPS serves as the legal custodian of unclaimed funds for the rightful owners. In this capacity, we:

- Actively search for owners of unclaimed funds;
- Maintain a public, searchable database of unclaimed property in BC;
- Process claims to reunite rightful owners with their forgotten or unclaimed money;
- Work with companies and organizations to help them get unclaimed assets off their books; and
- Support community and social programs through sustainable financial contributions to Vancouver Foundation.

JOINT MESSAGE FROM THE CHAIR AND EXECUTIVE DIRECTOR

Like most organizations impacted by the COVID-19 pandemic, the BC Unclaimed Property Society experienced unexpected challenges in 2020. During this period of unprecedented change, we quickly adapted and pivoted our work processes, actively managing submissions and reuniting claimants with their forgotten funds to improve the financial stability of British Columbians.

When the provincial government mandated social distancing measures last March, we immediately closed our office, directed employees to work remotely, and moved our business processes online. Within days we were up and running, accepting funds, answering enquiries, and processing claims.

In transitioning our employees to a virtual work environment, our goal was to ensure every BCUPS staff member had the tools, resources, and solutions to be as productive and safe as possible while working from home. This involved setting up remote work capabilities, procuring equipment, investing in new technology, and strengthening our IT systems to ensure seamless access to our online platform that ensured the confidence and security of staff and the public.

We recognized that our employees were juggling new, often competing demands while trying to stay productive and protect their loved ones. Supporting them became our top priority. We revamped our employee policies and practices to provide greater flexibility for staff to balance work life and family needs in this new, unsettling environment.

Throughout the year, BCUPS staff rose to the challenge enabling us to continue to meet our obligations under the Unclaimed Property Act, fulfil our commitments in the Administration Agreement with the Province of British Columbia and Vancouver Foundation, and move our strategic plan forward.

This was the first year implementing our new strategic plan. Even though 2020 started off on a rocky footing, we are extremely proud of the high level of service BCUPS provided to individuals and organizations searching for or holding unclaimed property.

In 2020, BCUPS staff completed 2,125 individual search efforts to reunite owners with their forgotten funds, reflecting their proficiency in identifying and verifying claimants.

We had a steady rate of claims during the year, enabling BCUPS to return \$1,035,932 of unclaimed funds to their rightful owners in 2020, representing 505 individual accounts. Reuniting these forgotten funds with the rightful owners provided much-needed financial relief to many British Columbians who were experiencing financial difficulties during the pandemic.

We were also able to demonstrate the tangible benefits of BCUPS's philanthropic business model. Under this model, BCUPS transferred \$6.98 million to Vancouver Foundation for charitable purposes in 2020. Vancouver Foundation used a portion of this money as seed capital to establish the Community Response Fund provided in partnership with Vancity credit union, United Way Lower

Mainland, and the City of Vancouver. This fund provided essential relief to BC charities impacted by COVID-19 that deliver health and social services as well as arts, culture, and other community benefits. By year-end, the Community Response Fund had granted out \$17.4 million supporting more than 500 charities in BC demonstrating the meaningful social impact of dedicated philanthropy.

Holders, to their credit, continued to submit unclaimed funds during the year. BCUPS received \$4,858,925 from holders of unclaimed property in 2020. A substantial portion of these remitted funds represents money transferred from the Courts as well as the Public Guardian and Trustee of British Columbia. The latter submissions are comprised primarily of assets from unadministered estates.

We thank all of our Board members for their dedication and commitment during this difficult period. Their collective insight and guidance were instrumental in helping advance our shared goal of reuniting rightful owners with their forgotten funds, encouraging holders to submit unclaimed accounts to BCUPS, and making a meaningful difference in our communities through focused and impactful philanthropy.



ANNA K. FUNG, Q.C.
CHAIR



We will continue to pursue new and creative ways to unlock the potential of dormant assets and amplify our impact in the communities we are honoured to serve.

We also thank all the holders for continuing to submit unclaimed property to BCUPS while navigating through the pandemic, as well as claimants for their patience and understanding during our transition to a virtual environment.

Again, we acknowledge BCUPS staff's outstanding contribution in helping us fulfill our mandate, as well as our suppliers for making sure we were well equipped to carry on during the pandemic lockdown.

It is often during the most challenging times that we realize the genuine value of community and connection. We are truly grateful to work with an amazing network of organizations and individuals with a shared passion for making a significant difference in the lives of British Columbians. As we look forward to 2021, we will continue to pursue new and creative ways to unlock the potential of dormant assets and amplify our impact in the communities we are honoured to serve. We look forward to better times ahead for all of us in 2021.



ALENA LEVITZ
EXECUTIVE DIRECTOR

What is Unclaimed Property?

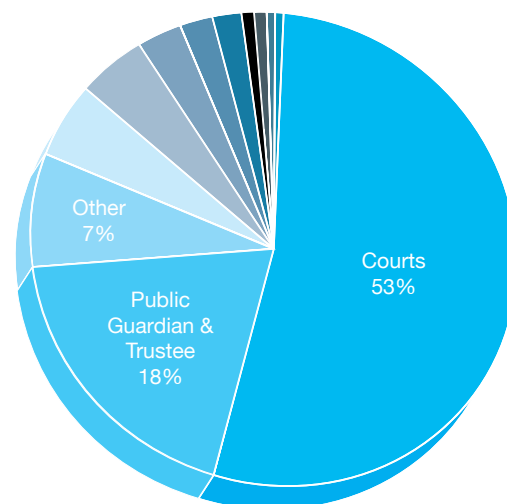
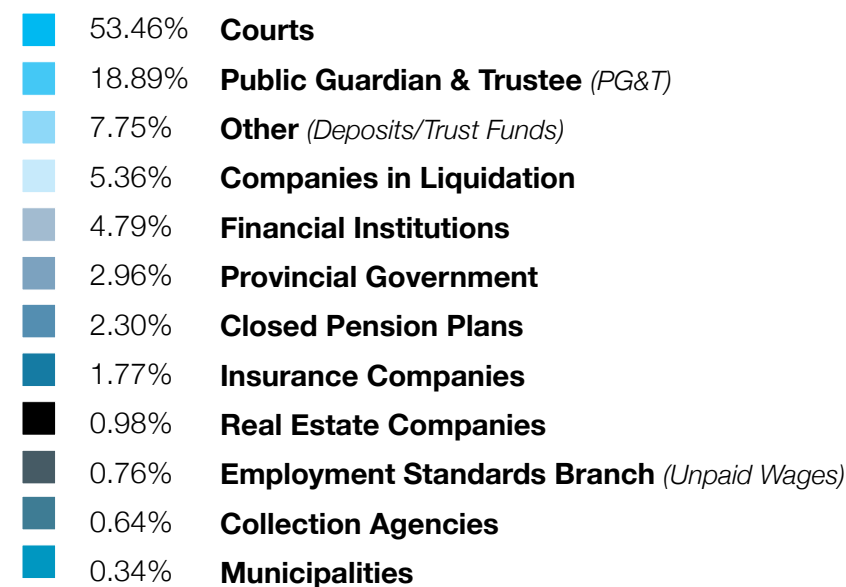
Unclaimed property refers to money held by a company or organization that legally belongs to another person. Funds become unclaimed when the lawful owner takes no action to access his/her account after a specified period, ranging from one to ten years depending on the type of account and the holder.

Dormant accounts administered by BCUPS applies only to provincially regulated financial institutions, companies and organizations. They do not include dormant bank accounts, which fall under the jurisdiction of the Bank of Canada.

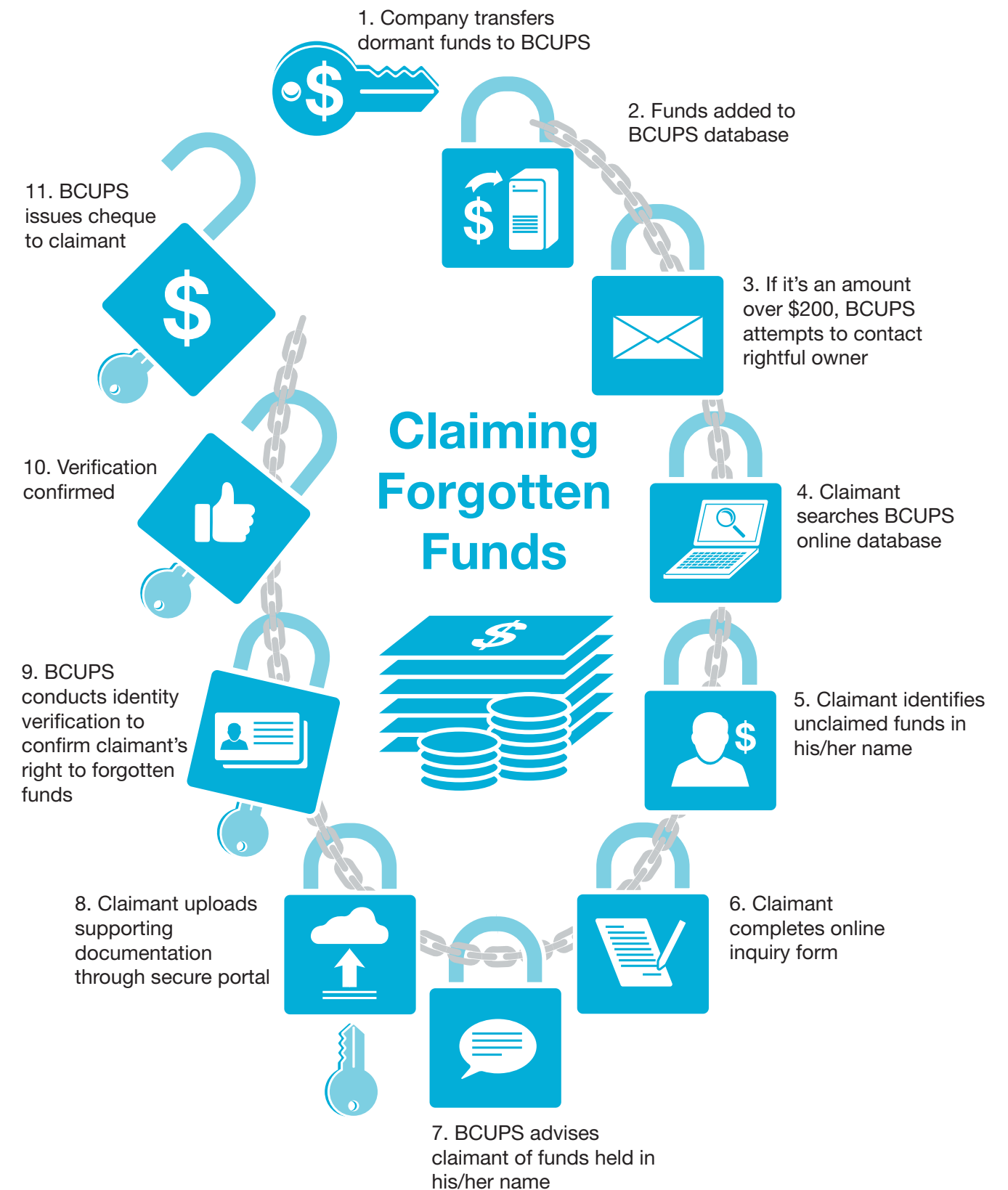
IN BC UNCLAIMED PROPERTY INCLUDES:

- Dormant credit union accounts;
- Unclaimed wages;
- Insurance payments;
- Court payments;
- Intestate estates (*death without a will*);
- Overpayments to debt collectors; and
- Outstanding real estate deposits.

Where BC's Unclaimed Assets Came From in 2020



BC's Unclaimed Property Process



2020 By The Numbers

\$173 million

Amount of unclaimed funds transferred from financial institutions, companies and organizations residing in the BCUPS database

\$4,858,925

Amount of unclaimed funds BCUPS received from holders in 2020.

\$1,035,932

Amount of money returned to verified claimants in 2020.

\$106,789,525

Total amount of money from dormant accounts BCUPS has received since its inception.

\$18,514,588

Amount of money from dormant accounts BCUPS has returned to the rightful owners since its inception.

\$1.01 million

Largest amount claimed. An outstanding estate paid out in July 2019.

\$1.9 million

Largest dormant account in BC waiting to be claimed.



Community Outreach

Media Placements	•	214
Impressions	•	5.4 Million
Website Visits	•	203,211
General Inquiries	•	13,834
Individual Search Efforts	•	2,125

What Should Companies Do with Unclaimed Funds?

The BC Unclaimed Property Act requires companies and organizations holding dormant accounts to make a reasonable effort to locate and notify the owners of forgotten funds.

Unclaimed accounts are deemed to be “dormant” if there has been no activity by the owner for a specified period of time ranging from one to 10 years, depending on the type of account involved. If the holders can't locate the owner, they are required to list unclaimed funds they hold in a publicly searchable database. This database must be easily accessible, meet privacy obligations, and include the necessary information about each account.

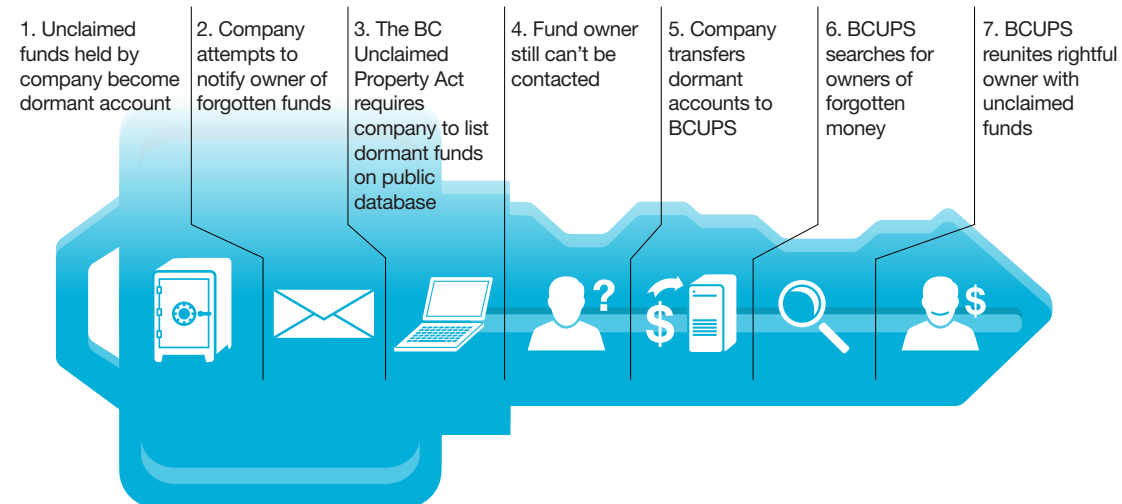
Credit unions, debt collectors, real estate agencies, companies in liquidation, municipal and provincial courts and municipalities are classified as mandatory holders and are thereby required by law to transfer unclaimed funds to BCUPS if the rightful owners cannot be located.

Other organizations holding trust funds, insurance policies, brokerage accounts and closed pension plans are designated as voluntary holders and encouraged to transfer their unclaimed property accounts to BCUPS.

Simply ignoring dormant accounts represents a potential financial liability to the company and can lead to administrative problems down the road. If a business owner is contemplating merging with another company or selling his/her business, for example, dormant assets on the books may be unattractive to a potential buyer or partner.

Transferring unclaimed funds to BCUPS fulfills a company's legal obligations under the Unclaimed Property Act and releases the business from the onus of managing dormant accounts. BCUPS's staff actively search for the owners of forgotten funds and are dedicated to reuniting money with the rightful owners. BCUPS also maintains a free online database with the names of unclaimed account holders that individuals can search to see if they have forgotten funds waiting for them.

How Companies Should Manage Dormant Accounts



Protecting Your Privacy

At BCUPS, keeping your personal information safe and secure is our foremost priority. We continuously upgrade our information technology system to ensure any information that is collected and stored related to an unclaimed account or inquiry is safeguarded. We also routinely enhance the security features of our website to provide a safe and secure online experience. To protect consumers, we also include information on our website on how to spot and guard against common unclaimed property scams.

Enhancing Communities and Enriching Lives

One of the most distinctive aspects of British Columbia's unclaimed property program is BCUPS's philanthropic business model. Every year, a portion of funds held by BCUPS is transferred to Vancouver Foundation for charitable purposes. The amount is determined by the BCUPS Board based on an actuarial calculation that ensures sufficient funds are available to meet future claims.

In 2020, BCUPS transferred \$6.98 million to Vancouver Foundation to address community and social issues where the need is greatest. Following the onset of the COVID-19 pandemic, Vancouver Foundation used a portion of the funds provided by BCUPS to help establish the Community Response Fund (CRF) in partnership with Vancity credit union, United Way Lower Mainland, and the City of Vancouver. The CRF provided essential relief to BC charities impacted by COVID-19 that provide health and social services as well as arts, culture, and other community benefits.



\$6.98 Million

Funds from dormant accounts BCUPS transferred to Vancouver Foundation in 2020 for charitable purposes.



\$48.4 Million

Amount BCUPS has transferred to Vancouver Foundation since its inception.



Addressing Food Insecurity

Food insecurity is one of the biggest issues for people since the start of the pandemic. When food banks became overwhelmed following the COVID-19 outbreak, Vancouver Food Runners (VFR) answered the call.

VFR aims to address hunger and minimize food waste by matching food donations with charities. A grant from the CRF sped up the launch of their mobile app, which enabled volunteers to deliver donations of fresh food such as milk and produce before they spoiled, eliminating food waste and providing at-risk demographics with healthy, nutrient dense foods. Since March 2020 more than 99,000 VFR meals have been directed to community.

"People have come together. It's the silver lining of COVID-19," says Tristan Jagger, VFR's founder and executive director. "Now charities can ensure their communities aren't left hungry and suppliers know their donations go where it's needed."

From Translating Information to Anti-Racism Work

The Hua Foundation empowers youth from the East Asian diaspora to advance social change. When the pandemic started, Hua Foundation joined the C19 Response Coalition to translate the most up-to-date information about COVID-19 from credible sources. This included the province's restart plan and emergency financial support options. A grant from the CRF enabled the foundation to expand this initiative to include Tagalog and Vietnamese languages.

As anti-Asian sentiment spiked with the onset of the pandemic, the C19 Response Coalition and Hua Foundation saw an opportunity to build solidarity between Asian communities with the hopes of tackling anti-racism work together down the line. While the project may have begun as an immediate response to information needs, it's now laid the groundwork for addressing other pressing issues that will have a long-term effect on community resiliency.

"One of the many symptoms of colonialism and white supremacy I see is that many racialized communities are segregated from each other. When we do want to work together, it's often through white institutions," says Kevin Huang, co-founder and executive director of Hua Foundation. "[This project] has been a healthy space to learn how we can do this work alongside each other. What's stopping us from building connections with one another?"



BCUPS Board of Directors

BCUPS is governed by a five-member volunteer Board of Directors comprised of representatives from the business sector, not-for-profit, and legal community. The Board provides direction and oversight of management strategy and financial management policies, as well as ensuring BCUPS has adequate resources to fulfil its mandate. Board members include:



ANNA K. FUNG, Q.C.
DEPUTY CHAIR AT THE BC UTILITIES COMMISSION

Anna Fung, QC, is the Deputy Chair at the BC Utilities Commission. An experienced solicitor and litigator with a focus on business law, Anna Fung has acted as in-house counsel for TimberWest, Intrawest and Fortis BC. She was named a Queen's Counsel in 2000 and earned her Certified Canadian Corporate Counsel designation from Rotman School of Business in 2015.

She was a Bencher of the BC Law Society (which governs the BC legal profession) for 10 years and its President in 2007. She also served as President of the Canadian Corporate Counsel Association, Association of Chinese Canadian Professionals (BC), BC Autism Association and Chair of the People's Law School. In 2004, she received the RVA Jones Canadian Corporate Counsel Award for her contributions to the corporate counsel community.

Anna is a recipient of the CBA (BC Branch) Equality and Diversity Award, the Vancouver YWCA Woman of Distinction Award in the Business & Professions category, the BC Community Achievement Award and the UBC Law Alumni Association Award of Distinction. She is a past Director of the Vancouver Airport Authority and the Arts Club Theatre Society and served as a Board member of the Vancouver Foundation from May 2012 to May 2017.



JEANETTE MCPHEE
CHIEF FINANCIAL OFFICER AND DIRECTOR OF TRUST REGULATION, LAW SOCIETY OF BRITISH COLUMBIA

Prior to joining the Law Society in 2006, Jeanette McPhee was CFO and secretary treasurer of Cascade Aerospace Inc., Vice-President of Finance at BCTV/CHEK-TV and a chartered accountant at a national CA firm. She has a Chartered Professional Accountant designation and a business degree from Simon Fraser University. She is currently a board member of the Greater Vancouver YMCA, and is a past board member of Simon Fraser University, Surrey Food Bank Society and the Seaton Woodward Foundation.



KEVIN MCCORT
PRESIDENT AND CEO, VANCOUVER FOUNDATION

Kevin McCort was appointed President and CEO of Vancouver Foundation in September 2013. Before joining Vancouver Foundation, he served for six years as President and CEO of CARE Canada in Ottawa, one of Canada's leading development and humanitarian aid organizations and has lived and worked in many countries, including: Mali, Zimbabwe and Zambia.

He is currently a Director of Imagine Canada, serving on the Board since 2009. Imagine Canada is a national charitable organization dedicated to strengthening charities and non-profits. He is also a member of the Young Presidents' Organization.

He graduated in 1989 with a B.Sc. (Specialist/Honours) from the University of Toronto. In 2005, he earned a Master of Business Administration from Queen's University. In February 2013, he was awarded the Queen's Diamond Jubilee medal.



EUGENE LEE
VICE PRESIDENT, INVESTMENTS, VANCOUVER FOUNDATION

Eugene has more than 20 years of experience working with pensions, endowments, foundations and Indigenous settlement trusts.

Prior to joining Vancouver Foundation in 2016, Eugene spent three years at PBI Actuarial Consultants as an Investment Consultant and 14 years at RBC Investor and Treasury Services; working closely with various plan sponsors in developing investment policies and governance guidelines as well as manager research, performance monitoring and strategic asset mix analysis.

He is a graduate of the University of British Columbia Sauder School of Business and received his Chartered Financial Analyst (CFA) designation in 2002.



**THE HONOURABLE CHIEF JUSTICE ROBERT J. BAUMAN
CHIEF JUSTICE OF BRITISH COLUMBIA, CHIEF JUSTICE
OF THE COURT OF APPEAL FOR BRITISH COLUMBIA,
AND CHIEF JUSTICE OF THE COURT OF APPEAL OF
YUKON**

The Honourable Robert J. Bauman was appointed as a justice of the Supreme Court of British Columbia in 1996; as a justice of the Court of Appeal for British Columbia in 2008; as Chief Justice of the Supreme Court of British Columbia in 2009; and as Chief Justice of British Columbia in 2013. Prior to becoming a judge, he was in private practice with Bull, Housser & Tupper in Vancouver. He worked largely in the areas of local government and administrative law. While practicing law, he taught administrative law at the University of British Columbia Faculty of Law as an adjunct professor from 1991 to 1996.

In 2012, and again in 2013, Chief Justice Bauman was named by Canadian Lawyer Magazine as one of the “Top 25 Most Influential” in the justice system in Canada. He also received the Queen Elizabeth II Diamond Jubilee Commemorative Medal for contributions to Canada. As well, Chief Justice Bauman is the 2012 recipient of the Anthony P. Pantages, QC Medal for outstanding contributions to the field of justice, presented by The Justice Institute of British Columbia Foundation. Chief Justice Bauman was the recipient of the 2013 TLABC Bench Award by the Trial Lawyers Association of British Columbia. In 2015, he was appointed First Vice-Chair of the Canadian Judicial Council. Chief Justice Bauman is the founding Chair of Access to Justice BC.

**UNLOCKING THE
POTENTIAL OF
DORMANT ASSETS**



**FINANCIAL
STATEMENTS**





British Columbia Unclaimed Property Society

Financial Statements
(Expressed in thousands of dollars)
December 31, 2020

Independent auditor's report

To the Directors of British Columbia Unclaimed Property Society

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of British Columbia Unclaimed Property Society (the Society) as at December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Society's financial statements 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 changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 these 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Society 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.

We 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 of British Columbia, we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 13, 2021

British Columbia Unclaimed Property Society

Statement of Financial Position
(Expressed in thousands of dollars)

As at December 31, 2020 with comparative information for 2019

	December 31, 2020			December 31, 2019		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Assets						
Current assets						
Cash and cash equivalents	\$ 5,152	\$ 1,246	\$ 6,398	\$ 6,535	\$ 811	\$ 7,346
Accounts receivable	-	7	7	-	7	7
Prepaid expenses	-	13	13	-	11	11
	5,152	1,266	6,418	6,535	829	7,364
Investments (note 3 (a))	37,097	232	37,329	38,457	807	39,264
Capital assets	-	6	6	-	6	6
Total assets	\$ 42,249	\$ 1,504	\$ 43,753	\$ 44,992	\$ 1,642	\$ 46,634
Liabilities and Fund Balances						
Current liabilities						
Accounts payable and accrued liabilities (note 4(a))	\$ -	\$ 63	\$ 63	\$ -	\$ 59	\$ 59
Deferred Revenue	412	-	412	-	-	-
	412	63	475	-	59	59
Fund Balances (note 2(a))						
Restricted funds						
Old unclaimed property funds	335	-	335	419	-	419
New unclaimed property funds	41,502	-	41,502	44,573	-	44,573
	41,837	-	41,837	44,992	-	44,992
Unrestricted fund		1,441	1,441	-	1,583	1,583
	41,837	1,441	43,278	44,992	1,583	46,575
Total liabilities and fund balances	\$ 42,249	\$ 1,504	\$ 43,753	\$ 44,992	\$ 1,642	\$ 46,634

See accompanying notes to the financial statements.

Approved by the Board of Directors on April 13, 2021

Director  Director 

British Columbia Unclaimed Property Society

Statement of Operations and Fund Balances
(Expressed in thousands of dollars)

For the year ended December 31, 2020 with comparative information for 2019

	December 31, 2020			December 31, 2019		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Revenue						
Receipts of unclaimed property (note 5)	\$ 4,839	\$ -	\$ 4,839	\$ 10,950	\$ -	\$ 10,950
Investment and interest income (note 3(b))	-	1,048	1,048	-	1,868	1,868
	4,839	1,048	5,887	10,950	1,868	12,818
Expenses						
Operating expenses						
Compensation (note 6)	-	535	535	-	443	443
Office administration	-	231	231	-	214	214
Information and technology consulting	-	243	243	-	159	159
Investment management fees	-	106	106	-	107	107
Rent (note 4(a))	-	58	58	-	50	50
Management fees (note 4(a))	-	13	13	-	33	33
Amortization	-	4	4	-	2	2
	-	1,190	1,190	-	1,008	1,008
Distributions to claimants						
Old unclaimed property funds	84	-	84	30	-	30
New unclaimed property funds	931	-	931	2,700	-	2,700
Transfers to Vancouver Foundation (note 4(b))	6,979	-	6,979	4,200	-	4,200
	7,994	1,190	9,184	6,930	1,008	7,938
(Deficiency) excess of revenue over expenses	(3,155)	(142)	(3,297)	4,020	860	4,880
Fund balances, beginning of the year	44,992	1,583	46,575	40,972	723	41,695
Fund balances, end of year	\$ 41,837	\$ 1,441	\$ 43,278	\$ 44,992	\$ 1,583	\$ 46,575

See accompanying notes to the financial statements.

British Columbia Unclaimed Property Society

Statement of Changes in Fund Balances
(Expressed in thousands of dollars)

For the year ended December 31, 2020 with comparative information for 2019

	December 31, 2020				December 31, 2019			
	Restricted - Old unclaimed property funds	Restricted - New unclaimed property funds	Unrestricted fund	Total	Restricted - Old unclaimed property funds	Restricted - New unclaimed property funds	Unrestricted fund	Total
Fund balances, beginning of the year	\$ 419	\$ 44,573	\$ 1,583	\$ 46,575	\$ 449	\$ 40,523	\$ 723	\$ 41,695
(Deficiency) excess of revenue over expenses	(84)	(3,071)	(142)	(3,297)	(30)	4,050	860	4,880
Fund balances, end of year	\$ 335	\$ 41,502	\$ 1,441	\$ 43,278	\$ 419	\$ 44,573	\$ 1,583	\$ 46,575

See accompanying notes to the financial statements.

British Columbia Unclaimed Property Society

Statement of Cash Flows
(Expressed in thousands of dollars)

For the year ended December 31, 2020 with comparative information for 2019

	2020	2019
Cash provided by (used in)		
Operations		
(Deficiency) excess of revenue over expenses	\$ (3,297)	\$ 4,880
Items not affecting cash		
Amortization	4	2
Unrealized gain on investments	(43)	(1,112)
Realized (gain) loss on investments	(22)	253
	(3,358)	4,023
Changes in non-cash operating working capital		
Accounts receivable	-	(1)
Prepaid expenses	(2)	(5)
Accounts payable and accrued liabilities	416	(20)
Net cash from operations	(2,944)	3,997
Investing		
Disposal of investments	5,672	18,701
Purchase of investments	(3,672)	(18,466)
Capital asset additions	(4)	(8)
Net cash from (used in) investing	1,996	227
(Decrease) increase in cash and cash equivalents	(948)	4,224
Cash and cash equivalents, beginning of the year	7,346	3,122
Cash and cash equivalents, end of the year	\$ 6,398	\$ 7,346

See accompanying notes to the financial statements.

British Columbia Unclaimed Property Society

Notes to Financial Statements
(Expressed in thousands of dollars)
For the year ended December 31, 2020

1 Nature of operations

British Columbia Unclaimed Property Society (the Society) was incorporated on March 3, 2003, under the Society Act of the Province of British Columbia.

The Society's purpose is to act as the administrator under the Unclaimed Property Act (British Columbia) and Unclaimed Property Amendment Act, 2003 (the Act). The Society receives unclaimed property, attempts to locate rightful owners and distributes property to verified claimants. The Society is classified as a non-profit organization under the Income Tax Act (Canada) and is exempt from income taxes.

The Society entered into an Administration Agreement (the Agreement) with the Province of British Columbia (the Province) and Vancouver Foundation on March 11, 2003. The Province appointed the Society to act as the administrator under the Act. The Agreement commenced April 1, 2003, for an initial term of five years, and in 2008, the Province renewed the Agreement for an indefinite term until either party gives one-year written notice to terminate the Agreement.

The Society signed an Amended and Restated Administration Agreement (the Amended Agreement) with the Province and the Vancouver Foundation on December 6, 2019. The Amended Agreement is effective January 1, 2020, for an initial term of five years, with automatic renewal of an indefinite number of five-year terms until either party gives one-year written notice to terminate the Agreement.

2 Significant accounting policies

The financial statements of the Society have been prepared by management following Canadian accounting standards for not-for-profit organizations.

a) Fund accounting

The Society follows the restricted fund method of accounting for unclaimed property held by the Society. For financial reporting purposes, the accounts have been classified into the following funds:

i) Restricted Fund:

Old Unclaimed Property Funds:

Pursuant to the Agreement, the Province transferred \$4,000 of unclaimed funds to the Society to satisfy claims prior to April 1, 2003. At the end of the initial term, any unused funds were to be returned to the Province. Subsequently, the Province agreed that the Society should continue to manage these funds until further review by the Province.

The Society recorded the funds received from the Province for the period prior to April 1, 2003, as Restricted - Old Unclaimed Property Funds.

British Columbia Unclaimed Property Society

Notes to Financial Statements
(Expressed in thousands of dollars)
For the year ended December 31, 2020

New Unclaimed Property Funds:

Pursuant to the Agreement, funds received after April 1, 2003, are recorded as Restricted - New Unclaimed Funds.

ii) Unrestricted Fund:

The Agreement allows income generated from the Old and New Unclaimed Property Funds' investment to be used for the Society's operating expenses. This investment income is reported as unrestricted revenue within the Unrestricted Fund.

b) Financial instruments

The Society's financial instruments consist of cash and cash equivalents, accounts receivable, investments, and accounts payable and accrued liabilities.

i) Cash and cash equivalents

Cash and cash equivalents consist of balances held with Canadian financial institutions to meet short-term cash commitments and deposits in transit.

ii) Investments

Investments include money market securities, equities, mortgages and temporary cash held for reinvestment. These investments are recorded at their fair values determined, on a trade date basis, on the last business day of the fiscal period. Guaranteed investment certificates are measured at amortized cost. Transaction costs are expensed as incurred.

iii) Other financial instruments

Accounts receivable, and accounts payable and accrued liabilities are measured at amortized cost, and the fair value approximates the carrying value. All other financial assets and liabilities are measured at fair value.

c) Capital assets

Capital assets are recorded at cost. Assets in use are amortized over their estimated useful lives. Management has estimated the useful lives to be:

<u>Asset</u>	<u>Rate and Basis</u>
Computer equipment	3 years straight-line

British Columbia Unclaimed Property Society

Notes to Financial Statements
(Expressed in thousands of dollars)
For the year ended December 31, 2020

d) Related parties

The Vancouver Foundation became the sole member of the Society effective May 8, 2020.

The Society was indirectly controlled by the Vancouver Foundation, which held all of the shares in the three corporations that were the sole members of the Society until May 8, 2020, when the three corporations had been dissolved.

Transactions with Vancouver Foundation are in the standard course of business and are measured at the amount of consideration established and agreed to by both parties. Details of related party transactions are disclosed in note 4.

The Society is required by the Agreement to set aside a certain portion of the Unclaimed Property Funds it receives to meet any contingent liabilities that might arise in future years. The Agreement permits the Society to transfer a portion of remaining unclaimed balances out of the New Unclaimed Property Funds to Vancouver Foundation for charitable purposes in British Columbia, as detailed in note 4(b).

e) Revenue recognition

Unclaimed property funds received are recognized as revenue to the Restricted Funds upon receipt of both funds and related legal documents.

According to the Act, no interest or other earnings will be accrued or are payable to a claimant in respect of the period after the funds are transferred to the Society. Income earned on unclaimed funds is therefore accounted for as revenue to the Unrestricted Fund. Investment income is recorded on an accrual basis.

f) Distributions to claimants

Payments are made to claimants once the claim is determined to be valid. Amounts paid to claimants are recognized as distributions from the Restricted Funds. Distributions are recorded when paid by the Society.

g) Management estimates

Financial statements preparation requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing these financial statements are reasonable; however, actual results could differ from these estimates.

h) Employee future-benefits

The Society is a participating employer in a multi-employer, defined benefit pension plan. The Society accounts for the pension plan as a defined contribution plan as insufficient information is available to identify the Society's share of the underlying pension assets and liabilities. Contributions to the Plan are expensed as incurred.

British Columbia Unclaimed Property Society

Notes to Financial Statements
(Expressed in thousands of dollars)
For the year ended December 31, 2020

3 Investments

The Society's investments are carried at fair value in accordance with the significant accounting policy disclosed in note 2(b).

a) Investment portfolio:

The Society has investments in various mutual funds as disclosed below. Mortgages reflect those funds held in Canadian mortgage-backed securities; bonds reflect those held in short term fixed income securities issued by Canadian governments and corporations; and global equities reflect those funds held in global equities. Investments consist of the following, measured at fair value:

	2020	2019
Cash and money market securities	\$ 5,573	\$ 5,749
Guaranteed investment certificates	14,664	15,681
Mortgages	11,521	11,392
Bonds and debentures	-	87
Global equities	5,571	6,355
	<u>\$ 37,329</u>	<u>\$ 39,264</u>

b) Investment and interest income:

	2020	2019
Investment income	\$ 400	\$ 872
Bank interest	62	137
Realized gain (loss) on disposal of investments	564	(253)
Unrealized gain on investments	22	1,112
	<u>\$ 1,048</u>	<u>\$ 1,868</u>

4 Related party transactions

a) General operating transactions

The Society rents office space from Vancouver Foundation, in respect of which it incurred \$58 (2019 - \$50) for the year ended December 31, 2020. In addition, for the year ended December 31, 2020 the Society paid management service fees of \$13 (2019 - \$33) to Vancouver Foundation for HR, general management, and other administrative services. At December 31, 2020, the Society had \$nil (2019 - \$nil) balance owing to Vancouver Foundation.

British Columbia Unclaimed Property Society

Notes to Financial Statements

(Expressed in thousands of dollars)

For the year ended December 31, 2020

b) Transfers to Vancouver Foundation

The Society is permitted by the Agreement to transfer funds to Vancouver Foundation for charitable purposes. The Society transferred \$6,979 (2019 - \$4,200) to Vancouver Foundation in 2020. Cumulatively the Society has transferred \$48,404 (2019 - \$41,426) to Vancouver Foundation since 2004.

The Society is committed to transfer \$6,242 to Vancouver Foundation in 2021 by following the Agreement.

5 Receipts of unclaimed property

Receipts of unclaimed property includes:

	2020		2019	
New unclaimed property funds	\$	4,839	\$	10,950
Old unclaimed property funds		-		-
	\$	4,839	\$	10,950

6 Employee compensation

In accordance with the disclosure requirements of the Societies Act, three (2019: two) employees received compensation in excess of \$75 per individual for the year ended December 31, 2020. Their compensation for the year ended December 31, 2020 was \$333 (2019 - \$233 for two employees).

7 Employee future benefits

Effective October 1, 2020, the Society is a participating employer in the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer jointly sponsored defined benefit pension plan for eligible employees of participating employers. All full-time employees of the Society and any eligible part-time employees of the Society who opt to participate are members of the Plan. As of December 31, 2020, all the Society's employees are members of the Plan.

Although the Plan is a multi-employer defined benefit plan, it is accounted for as a defined contribution plan. Insufficient information is available to identify the Society's share of the underlying pension assets and liabilities.

As of the valuation date January 1, 2020, the most recent actuarial valuation indicated an actuarial surplus of \$2,857,800, representing 18% of the Plan's actuarial liability. This indicates that \$1.18 has been set aside for every dollar of pension earned by the Plan members. In accordance with the significant accounting policy disclosed in note 2(h), the Society does not recognize any share of the Plan's surplus or deficit. During the year, the Society contributed \$11 (2019 - \$nil) towards the Plan; these contributions are included with compensation expenses in the statement of operations.

British Columbia Unclaimed Property Society

Notes to Financial Statements

(Expressed in thousands of dollars)

For the year ended December 31, 2020

8 Financial risk management

The Society has exposure to the following risks from its use of financial instruments: market risk, credit risk and liquidity risk.

a) Market risk

Market risk is the risk that the fair value of an investment will fluctuate as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. Market risk comprises interest rate risk, foreign currency risk and equity price risk.

i) Interest rate risk

Interest rate risk is the risk that the market value of the Society's interest-bearing financial instruments will fluctuate due to changes in the prevailing interest rates. The Society manages its interest rate risk by investing in a diversified portfolio.

ii) Foreign currency risk

Investments in foreign securities are exposed to currency risk due to fluctuations in foreign exchange rates. The Society 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.

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 Society is exposed to equity price risk on its equity securities. The Society reduces this risk by investing in securities with a lower level of volatility.

b) Credit risk

Credit risk is the risk of loss associated with the inability of a counterparty to fulfill its obligations under the terms of a financial instrument. The maximum exposure to credit risk is the carrying value of investments. Management reduces the Society's exposure to credit risk by holding its cash on deposit at an AA rated Canadian chartered bank, and by investing in bonds with a credit rating primarily of B or above.

c) Liquidity risk

Liquidity risk is the risk the Society cannot meet the demand for cash or fund its obligations as they become due. Management minimizes the Society's exposure to liquidity risk by regularly monitoring cash flow projections and holding a sufficient balance in cash to meet its anticipated obligations.

British Columbia Unclaimed Property Society

Notes to Financial Statements
(Expressed in thousands of dollars)
For the year ended December 31, 2020

9 Comparative information

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



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PROPERTY**
SOCIETY



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