

**MAPLE RIDGE/PITT MEADOWS
COMMUNITY SERVICES**

Financial Statements

March 31, 2016



MAPLE RIDGE
LANGLEY

CHARTERED
PROFESSIONAL
ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To The Members of
Maple Ridge/Pitt Meadows Community Services

We have audited the statement of financial position of Maple Ridge/Pitt Meadows Community Services as at March 31, 2016 and the statements of revenue and expenditures, net assets and cash flows for the year then ended.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

EPR MAPLE RIDGE LANGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS

Maple Ridge, BC
September 6, 2016

MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

STATEMENT 1

STATEMENT OF REVENUE AND EXPENDITURES

Year Ended March 31, 2016

	Budget 2016	Actual 2016	Actual 2015
Revenue			
Funding Agencies			
Community Living B.C.	\$ 61,687	\$ 61,687	\$ 61,146
Fraser Health	773,796	774,626	812,149
Ministry of Children and Family Development	1,415,184	1,419,757	1,400,051
Ministry of Public Safety and Solicitor General	129,653	129,731	128,624
Other funders	281,714	298,347	296,348
Public Health Agency of Canada	50,864	50,862	45,776
Transfer from deferred revenue	41,519	41,519	119,813
	2,754,417	2,776,529	2,863,907
Program			
Expense and GST recoveries	540,715	552,423	601,423
Program revenue	59,181	104,074	70,009
Registration fees	20,439	22,094	21,452
Sale of meals	102,840	99,591	99,259
	723,175	778,182	792,143
Donations and sundry			
Donations and fundraising	34,134	41,341	32,956
Gaming income	67,000	67,000	70,000
Interest income	8,976	6,779	9,156
RMBA distributions - note 8	10,324	10,324	10,324
United Way funding	196,907	200,657	180,802
	317,341	326,101	303,238
	3,794,933	3,880,812	3,959,288
General and administrative expenditures - statement 1A	3,794,785	3,865,194	3,931,776
Excess of revenue over expenditures	\$ 148	\$ 15,618	\$ 27,512

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



MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

STATEMENT 1A

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENDITURES

Year Ended March 31, 2016

	Budget 2016	Actual 2016	Actual 2015
Accreditation expenses	\$ 8,283	\$ 8,796	\$ 2,187
Activity expenses	11,136	9,522	13,658
Administration	273,175	273,542	278,904
Advertising and promotion	4,823	5,577	7,139
Amortization	30,678	34,853	32,660
Bad debts	-	-	9,935
Board and management seminars	1,524	777	1,558
Building facilities cost	139,310	140,675	164,448
Building maintenance and repair	43,062	58,097	48,042
Computer costs	26,586	29,714	28,717
Client incentive	13,865	14,365	16,814
Contract services	118,120	126,822	112,624
Education and training	25,699	31,565	18,591
Equipment maintenance and repair	18,499	19,655	7,132
Fundraising	6,402	4,307	12,283
Garbage disposal	3,500	3,461	5,928
Insurance	21,478	21,128	21,211
Interest and bank charges	4,366	3,864	6,322
Kitchen and food supplies	6,108	7,212	9,586
Legal and audit	12,410	13,428	16,771
Meal purchases and supplies	89,000	85,208	81,482
Photocopying	11,240	11,260	13,749
Property taxes	40,374	39,746	37,707
Program costs	117,715	133,712	114,472
Program supervision	62,648	62,648	86,132
Rent and utility - semi-independent living	158,847	163,969	177,642
Rent - office	64,284	60,105	62,664
Special events	1,120	1,643	827
Staff travel	30,896	28,177	35,244
Telephone	36,242	36,630	36,148
Transfer to deferred revenue - note 5	-	24,443	41,519
Utilities	20,234	21,381	21,573
Van expense	5,160	4,859	4,894
Volunteer recognition	3,688	4,204	3,766
Wages and benefits - administration	397,171	396,283	392,886
Wages and benefits - programs	1,987,142	1,983,566	2,006,561
	\$ 3,794,785	\$ 3,865,194	\$ 3,931,776

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



MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

STATEMENT 2

STATEMENT OF CHANGES IN NET ASSETS

Year Ended March 31, 2016

	2016	2015
UNRESTRICTED NET ASSETS		
General Reserve		
Net assets, beginning of year	\$ 603,110	\$ 576,666
Excess of revenue over expenditures	15,618	27,512
	618,728	604,178
Transfer from (to) capital asset replacement reserve	(815)	(1,068)
Net assets, end of year	\$ 617,913	\$ 603,110
INTERNALLY RESTRICTED NET ASSETS		
Tangible Capital Asset Replacement - notes 1,3		
Balance, beginning of year	\$ 130,572	\$ 129,504
Transfer from (to) general reserve	815	1,068
Balance, end of year	\$ 131,387	\$ 130,572
EXTERNALLY RESTRICTED NET ASSETS		
Laura Muskett Memorial Fund - note 3		
Balance, beginning of year	\$ 194,910	\$ 194,910
Net change during the year	-	-
Balance, end of year	194,910	194,910
Endowment Fund - note 4		
Balance, beginning of year	60,000	60,000
Net change during the year	-	-
Balance, end of year	60,000	60,000
Total Externally Restricted Net Assets	\$ 254,910	\$ 254,910
TOTAL NET ASSETS	\$ 1,004,210	\$ 988,592

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



MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES
STATEMENT 3
STATEMENT OF CASH FLOWS

Year Ended March 31, 2016

	2016	2015
Cash flows from (for) operating activities:		
Excess of revenue over expenses for the year	\$ 15,618	\$ 27,512
Cash is provided by (used in):		
Items not requiring an outlay of funds		
Amortization	34,853	32,660
	50,471	60,172
Changes in non-cash working capital		
Accounts receivable	(24,453)	25,408
Prepaid expenses	5,431	2,208
Accounts payable and accrued liabilities	1,231	6,264
Accrued wages	21,386	34,278
Deferred revenue	(12,376)	(115,383)
	41,690	12,947
Cash flows from (for) financing activities:		
Repayment of long-term debt	(65,425)	(63,633)
Restricted deposits	(815)	(1,068)
	(66,240)	(64,701)
Cash flows from (for) investing activities:		
Purchase of tangible capital assets	(34,940)	-
Increase (decrease) in cash (bank indebtedness)	(59,490)	(51,754)
Cash, beginning of year	413,188	464,942
Cash, end of year	\$ 353,698	\$ 413,188

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



MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES
STATEMENT OF FINANCIAL POSITION
 March 31, 2016

STATEMENT 4

	2016	2015
ASSETS		
Current:		
Cash	\$ 353,698	\$ 413,188
Accounts receivable	101,910	77,457
Prepaid expenses	34,104	39,535
	489,712	530,180
Tangible capital assets - note 2	774,996	774,909
Restricted deposits - note 3	326,297	325,482
Endowment fund - note 4	60,000	60,000
	\$ 1,651,005	\$ 1,690,571
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable and accrued liabilities	\$ 70,512	\$ 69,279
Accrued wages	343,879	322,494
Deferred revenue - note 5	164,910	177,287
Current portion of long-term debt - note 6	40,012	65,433
	619,313	634,493
Long-term debt - note 6	27,482	67,486
	646,795	701,979
Net assets		
Unrestricted net assets	617,913	603,110
Internally restricted net assets - note 3	131,387	130,572
Externally restricted net assets - note 3, 4	254,910	254,910
	1,004,210	988,592
	\$ 1,651,005	\$ 1,690,571

On behalf of the Board

Director

Director

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



MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2016

Maple Ridge / Pitt Meadows Community Services is a not-for-profit society incorporated under the Societies Act of British Columbia. The Society provides a variety of community related social services for individuals and families within Maple Ridge and Pitt Meadows and the surrounding area.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Society are in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

Capital Asset Replacement Reserve

By resolution of the Board of Directors, reserves have been established for the replacement of property, major equipment and renovations.

Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows except in the year of acquisition when one half of the rate is used:

Buildings	4%	Declining balance
Computer equipment	30%	Declining balance
Equipment	20%	Declining balance
Vehicles	30%	Declining balance

Income Taxes

The Society is exempt from Federal and Provincial income taxes.

Revenue Recognition

The Society's revenues are derived principally from program funding from the Province of British Columbia in accordance with budget arrangements established and approved by the Ministry.

Revenues are recognized on an accrual basis in the period which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

Revenue related to fees or services received in advance of the fee earned or the service being performed is deferred and recognized when the fee is earned or the service is performed.

Use of Estimates

The preparation of the Society's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements as well as reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2016

2. TANGIBLE CAPITAL ASSETS

	2016		2015	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 70,635	\$ -	\$ 70,635	\$ 70,635
Buildings	1,252,976	591,306	661,670	689,242
Computer equipment	161,548	149,291	12,257	980
Equipment	178,814	148,413	30,401	14,006
Vehicles	19,111	19,078	33	46
	<u>\$ 1,683,084</u>	<u>\$ 908,088</u>	<u>\$ 774,996</u>	<u>\$ 774,909</u>

3. RESTRICTED DEPOSITS

Restricted deposits represent chequing savings accounts which are held as funding for the Capital Asset Replacement Fund and the Laura Muskett Memorial Fund.

4. ENDOWMENT FUND

In 1985 the Society established an Endowment Fund managed by the Vancouver Foundation, the earnings of which are paid to the Society for its activities. The capital of the Endowment Fund and any additional contributions are held permanently by the Vancouver Foundation. The total capital in the Endowment Fund at March 31, 2015 is \$60,000 of which \$35,000 was contributed by the Society and \$25,000 was contributed by the Vancouver Foundation. The market value of the fund at March 31, 2016 was \$93,770 (2015 - \$95,968).

5. DEFERRED REVENUE

At the completion of each fiscal year, Management carries out an assessment of the delivery of services for each funded program. The balances reflected herein represent the aggregate value of services to be provided in subsequent periods.

MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2016

6. LONG-TERM DEBT

	2016	2015
Mortgage payable to Vancouver City Savings Credit Union, secured by property located at 11907 - 228th Street, Maple Ridge, B.C., requiring monthly payments of \$4,512 including interest at 3.53%.	\$ 26,788	\$ 78,989
Mortgage payable to Vancouver City Savings Credit Union, secured by property located at 11907 - 228th Street, Maple Ridge, B.C., requiring monthly principal payments of \$1,102 plus interest at 3.95%.	40,706	53,930
	67,494	132,919
Less current portion	40,012	65,433
	\$ 27,482	\$ 67,486

The aggregate amount of principal payments required in each of the next five years on the above indebtedness is as follows:

2017	\$ 40,012
2018	13,224
2019	13,224
2020	1,034

7. RELATED PARTY TRANSACTIONS

At March 31, 2016 the Society's account receivable owing from Maple Ridge - Pitt Meadows Community Services Housing Society was \$17 (2015 \$5,430).

8. RMBA DISTRIBUTIONS

During the year, surplus distributions of \$10,324 (2015 \$10,324) were received from the Ridge Meadows Bingo Association of which the Society is an affiliated member.

9. COMMITMENTS AND CONTINGENT LIABILITIES

The Society is committed to one long-term tenancy lease. The aggregate amount of the lease payments required in each of the next five years is as follow:

2016	\$ 34,920
2017	35,890
2018	35,890
	\$ 106,700



MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2016

10. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash and short-term deposits, accounts receivables, accounts payables, accrued wages, and long-term debt.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Society's cash and term deposits are on deposit at a major financial institution. As such the Society considers this risk to be minimal.

Foreign Exchange Risk

The Society is not exposed to foreign exchange risk because it has no financial assets nor liabilities denominated in foreign currencies.

Fair Value

The carrying amounts of the financial instruments approximate their fair value because of the short-term maturities of these items.

The carrying amount of the long-term debt approximates fair value because the interest rate is close to the market value.

11. CAPITAL DISCLOSURE

The Society defines its capital as the amounts included in its net asset balances.

The Society's objective when managing its capital is to safeguard the Society's ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to the communities of Maple Ridge and Pitt Meadows through its social service programs.

A portion of the Society's capital is externally restricted in that the Society has to meet certain requirements in order to utilize this net asset balance. The Society has internal control processes to ensure that the restrictions are met prior to the utilization of these resources and it has been in compliance with these restrictions throughout the year.

The Society sets the amount of net assets for operations in proportion to risk to manage the net asset structure and makes adjustments to it in light of changes in economic conditions and its operating priorities.