

**MAPLE RIDGE/PITT MEADOWS
COMMUNITY SERVICES**

Financial Statements

March 31, 2017



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, 2017 and the statements of revenue and expenditures, changes in 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, 2017 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.

Report on Other Legal and Regulatory Requirements

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

EPR

EPR MAPLE RIDGE LANGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS

Maple Ridge, BC
September 25, 2017

MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES
STATEMENT OF REVENUE AND EXPENDITURES

STATEMENT 1

Year Ended March 31, 2017

	Budget 2017	Actual 2017	Actual 2016
Revenue			
Funding Agencies			
Community Living B.C.	\$ 63,310	\$ 63,471	\$ 61,687
Fraser Health	773,825	741,805	774,626
Ministry of Children and Family Development	1,643,211	1,656,115	1,409,257
Ministry of Public Safety and Solicitor General	132,899	132,961	132,031
Other funders	250,350	330,342	302,375
Public Health Agency of Canada	50,862	50,864	50,862
	2,914,457	2,975,558	2,730,838
Program			
Program revenue	96,122	167,889	99,067
Registration fees	26,247	24,865	22,094
Sale of meals	105,340	122,748	99,344
Sundry recoveries	35,711	46,400	66,954
	263,420	361,902	287,459
Donations and sundry			
Donations and fundraising	281,343	231,371	39,657
Gaming income	91,000	55,577	63,957
Interest income	7,040	8,566	6,779
RMBA distributions - note 8	10,324	10,324	10,324
United Way funding	217,561	209,088	231,889
	607,268	514,926	352,606
	3,785,145	3,852,386	3,370,903
General and administrative expenditures - statement 1A	3,732,456	3,723,413	3,355,285
Excess of revenue over expenditures	\$ 52,689	\$ 128,973	\$ 15,618

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



MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENDITURES
Year Ended March 31, 2017

STATEMENT 1A

	Budget 2017	Actual 2017	Actual 2016
Accreditation expenses	\$ -	\$ -	\$ 8,796
Activity expenses	14,982	14,306	9,522
Advertising and promotion	6,252	12,944	5,577
Amortization	33,198	36,234	34,853
Bank charges and interest	4,200	4,592	4,447
Board and management seminars	1,360	301	777
Building maintenance and repair	97,643	116,313	58,097
Client incentive	16,165	15,656	14,365
Computer costs	27,774	39,703	29,714
Contract services	66,983	68,472	126,822
Education and training	23,527	31,346	31,565
Equipment maintenance and repair	7,078	19,591	19,655
Fundraising	4,825	19,391	4,307
Garbage disposal	3,540	3,932	3,461
Insurance	23,660	22,071	21,128
Interest on long-term debt	998	987	3,864
Kitchen and food supplies	7,200	4,914	7,212
Legal and audit	13,405	13,690	13,428
Meal purchases and supplies	94,583	108,232	85,208
Photocopying	5,821	4,228	4,723
Program costs	186,964	135,962	126,961
Program supervision	6,000	6,000	6,000
Property taxes	38,314	38,282	39,746
Rent - office	86,717	79,632	60,105
Rent and utility - semi-independent living	158,847	144,492	163,969
Special events	5,100	2,477	1,643
Staff travel	33,721	31,403	28,177
Telephone	38,526	39,588	34,230
Utilities	21,175	22,832	21,381
Van expense	2,100	2,480	2,599
Volunteer recognition	5,500	3,004	4,204
Wages and benefits - administration	312,529	319,920	404,183
Wages and benefits - programs	2,383,769	2,360,438	1,974,566
	\$ 3,732,456	\$ 3,723,413	\$ 3,355,285

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, 2017

	2017	2016
		(restated) Note 15
UNRESTRICTED NET ASSETS		
General Reserve		
Net assets, beginning of year	\$ 617,913	\$ 603,110
Excess of revenue over expenditures	128,973	15,618
	746,886	618,728
Transfer from (to) capital asset replacement reserve	-	(815)
Net assets, end of year	\$ 746,886	\$ 617,913
INTERNALLY RESTRICTED NET ASSETS		
Tangible Capital Asset Replacement - notes 1,3		
Balance, beginning of year	\$ 131,387	\$ 130,572
Transfer from (to) general reserve	-	815
Balance, end of year	\$ 131,387	\$ 131,387
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
TOTAL NET ASSETS	\$ 1,073,183	\$ 944,210

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, 2017

	2017	2016
Cash flows from (for) operating activities:		
Excess of revenue over expenses for the year	\$ 128,973	\$ 15,618
Cash is provided by (used in)		
Items not requiring an outlay of funds		
Amortization	36,234	34,853
	165,207	50,471
Changes in non-cash working capital		
Accounts receivable	68,006	(119,335)
Prepaid expenses	776	5,431
Accounts payable and accrued liabilities	150,926	8,164
Accrued wages	(28,763)	22,021
Government agencies payable	7,317	(9,786)
Deferred revenue	113,246	84,724
	476,715	41,690
Cash flows from (for) financing activities:		
Repayment of long-term debt	(67,494)	(65,425)
Restricted deposits	(990)	(815)
Deferred capital contributions	65,371	-
	(3,113)	(66,240)
Cash flows from (for) investing activities:		
Purchase of tangible capital assets	(121,408)	(34,940)
Increase (decrease) in cash (bank indebtedness)	352,194	(59,490)
Cash, beginning of year	353,698	413,188
Cash, end of year	\$ 705,892	\$ 353,698

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



MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

STATEMENT 4

STATEMENT OF FINANCIAL POSITION

March 31, 2017

	2017	2016 (restated) Note 15
ASSETS		
Current:		
Cash	\$ 705,892	\$ 353,698
Accounts receivable	128,786	196,792
Government agencies recoverable	32,942	16,462
Prepaid expenses	33,328	34,104
	900,948	601,056
Tangible capital assets - note 2	860,170	774,996
Restricted deposits - note 3	327,287	326,297
	\$ 2,088,405	\$ 1,702,349
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable and accrued liabilities	\$ 243,303	\$ 92,377
Accrued wages	294,734	323,496
Deferred revenue - note 5	367,635	254,389
Government agencies payable	44,179	20,383
Current portion of long-term debt - note 6	-	40,012
	949,851	730,657
Long-term debt - note 6	-	27,482
Deferred capital contributions - note 7	65,371	-
	1,015,222	758,139
Net assets		
Unrestricted net assets	746,886	617,913
Internally restricted net assets - note 3	131,387	131,387
Externally restricted net assets - note 3	194,910	194,910
	1,073,183	944,210
	\$ 2,088,405	\$ 1,702,349

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, 2017

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

Property under development is not being amortized.

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. Such revenues, if contributed for a future period, or if services have not been fully provided are deferred and reported as deferred contributions until that future period or the services have been fully provided.

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.

Revenues related to fees and services are recognized when the fee or service is delivered and are considered to be collectible and can be reasonably estimated.

Donations are recognized as revenue when received or receivable. Donor designations, which have externally imposed restrictions, are recorded as deferred revenue when received until the year the designated program is funded.



MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Contributed Services and Materials

Management has chosen to not recognize contributed materials or services for donations provided to the Society or directly associated with its programs. As such, these contributions to the Society have not been recognized in the Society's financial statements.

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.

Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value when the Society becomes party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for term deposits. The Society has elected to use the fair value option to measure term deposits, with any subsequent changes in fair value recorded in the Statement of revenue and expenditures.

Financial Asset Impairment

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 Society determines if there is a significant adverse change in the expected amount of 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 in the amount the Society 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.

Deferred Capital Contributions

Amounts received for the purchase of tangible capital assets are recorded as deferred capital contributions. These contributions will be amortized at the same rate as the related tangible capital assets.

MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2017

2. TANGIBLE CAPITAL ASSETS

			2017	2016
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 70,635	\$ -	\$ 70,635	\$ 70,635
Property under development	121,408	-	121,408	-
Buildings	1,252,976	617,773	635,203	661,673
Computer equipment	161,548	152,968	8,580	12,256
Equipment	178,814	154,493	24,321	30,400
Vehicles	19,111	19,088	23	32
	\$ 1,804,492	\$ 944,322	\$ 860,170	\$ 774,996

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 is \$60,000 of which \$35,000 was contributed by the Society and \$25,000 was contributed by the Vancouver Foundation.

MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2017

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.

	2017	2016
Community Living B.C.		
Deferred balance, beginning of year	\$ -	\$ -
Funding received in the year	63,471	61,687
Recognized as revenue	(63,471)	(61,687)
Deferred balance, end of year	\$ -	\$ -
Fraser Health		
Deferred balance, beginning of year	\$ 64,483	\$ 65,397
Funding received in the year	741,880	773,712
Recognized as revenue	(741,805)	(774,626)
Deferred balance, end of year	\$ 64,558	\$ 64,483
Ministry of Children and Family Development		
Deferred balance, beginning of year	\$ 6,254	\$ 10,348
Funding received in the year	1,697,415	1,405,163
Recognized as revenue	(1,656,115)	(1,409,257)
Deferred balance, end of year	\$ 47,554	\$ 6,254
Ministry of Public Safety and Solicitor General		
Deferred balance, beginning of year	\$ -	\$ 2,300
Funding received in the year	132,961	129,731
Recognized as revenue	(132,961)	(132,031)
Deferred balance, end of year	\$ -	\$ -
Other funders		
Deferred balance, beginning of year	\$ 12,845	\$ 6,373
Funding received in the year	329,745	308,847
Recognized as revenue	(330,342)	(302,375)
Deferred balance, end of year	\$ 12,248	\$ 12,845
Public Health Agency of Canada		
Deferred balance, beginning of year	\$ -	\$ -
Funding received in the year	50,864	50,862
Recognized as revenue	(50,864)	(50,862)
Deferred balance, end of year	\$ -	\$ -

MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2017

5. DEFERRED REVENUE - CONT'D

Gaming			
Deferred balance, beginning of year	\$	56,043	\$ 67,000
Funding received in the year		91,000	53,000
Recognized as revenue		(55,577)	(63,957)
Deferred balance, end of year	\$	91,466	\$ 56,043
Restricted donations			
Deferred balance, beginning of year	\$	109,881	\$ 12,499
Contributions received in the year		264,945	137,039
Recognized as revenue		(231,371)	(39,657)
Deferred balance, end of year	\$	143,455	\$ 109,881
United Way			
Deferred balance, beginning of year	\$	4,883	\$ 36,115
Funding received in the year		212,559	200,657
Recognized as revenue		(209,088)	(231,889)
Deferred balance, end of year	\$	8,354	\$ 4,883
Aggregate deferred revenue, end of year	\$	367,635	\$ 254,389

6. LONG-TERM DEBT

	2017	2016
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
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
	-	67,494
Less current portion	-	40,012
	\$ -	\$ 27,482



MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2017

7. DEFERRED CAPITAL CONTRIBUTIONS

During the year the Society received capital contributions of \$65,371 from BC Housing which represents funding towards the development and construction of a new office and residential building in Maple Ridge, B.C. (see Note 9).

8. RMBA DISTRIBUTIONS

During the year, surplus distributions of \$10,324 (2016 \$10,324) were received from the Ridge Meadows Bingo Association of which the Society is an affiliated member.

9. COMMITMENTS

During the year, the Society entered into a commitment with BC Housing for the development of a new building at 11907 228 Street, Maple Ridge, which will consist of a new head office, and 94 affordable housing units. Construction on this project is expected to complete in 2020, with an estimated cost of \$23 million. BC Housing has committed to funding \$11 million of this cost and the Society will mortgage the balance through BC Housing, with payments beginning after the completion of the project. Short-term rental contracts will be signed for the relocation of the Society's offices for the duration of the development.

10. CONTRACTUAL OBLIGATIONS

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

2018	\$	61,140
2019		62,709
2020		12,590

MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2017

11. RISK MANAGEMENT

The Society uses comprehensive risk management procedures to limit the risks inherent in the use of financial instruments. Risks include credit, currency, interest rate, liquidity and market risks. The significant risks that the Society is exposed to are noted below.

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 is exposed to credit risk from accounts receivable. Accounts receivable consist primarily of grants and funds receivable from government organization, and therefore credit risk on these receivables is minimal.

Interest Rate Risk

The Society will have an exposure to interest rate fluctuations at the time it is required to obtain a mortgage on the new building. The Society considers its exposure to interest rate volatility to be acceptable and appropriately managed.

Liquidity risk

Liquidity risk is the risk that the Society may encounter difficulties in meeting obligations associated with financial liabilities. The Society's exposure to liquidity risk is dependant on government funding, sale of goods, purchasing commitments and obligations or raising funds to meet obligations and sustain operations. Management consider the Society's liquidity risk to be minimal due to its strong cash position at year end.

12. 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.

MAPLE RIDGE/PITT MEADOWS COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2017

13. EMPLOYEE PENSION PLAN

The Society and its employees contribute to the Municipal Pension Plan ("Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. The Plan has approximately 195,000 active members and approximately 90,000 retired members. Active members include approximately 33 (2016 - 35) employees of the Society.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation for the Plan as at December 31, 2015 indicated a \$2.2 billion funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018, with results available in 2019.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Society paid \$153,715 (2016 - \$142,958) for employer contributions to the Plan in fiscal 2017.

14. REMUNERATION PAID

During the year, the Society paid salaries and benefits of \$625,550 to its seven highest paid employees, each of whom were paid in excess of \$75,000.

15. PRIOR PERIOD ADJUSTMENT

The prior year figures have been updated to reflect the removal of the Vancouver Foundation Endowment Fund from the Financial statements. This change was made because the Society had no control or ownership of the fund. This change has resulted in a decrease of externally restricted net assets as at April 1, 2015 of \$60,000 and a decrease in total assets as at April 1, 2015 of \$60,000.

16. COMPARATIVE FIGURES

Certain balances of the preceding period have been reclassified to conform with the current year's financial statement presentation.