

THE MAPLE RIDGE COMMUNITY FOUNDATION

Financial Statements

September 30, 2014

Paterson Schultz Volpatti Colley

22715 - 119th Avenue, Maple Ridge, B.C. V2X 8S5

Kenneth A. Paterson, B.Comm., CA, CFP*

Walter Volpatti, B.Comm., CA*

Haydn Colley, B.B.A., CPA, CA*

*denotes a professional corporation

Independent Auditors' Report

To the Members of The Maple Ridge Community Foundation

We have audited the financial statements of The Maple Ridge Community Foundation, which comprise the statement of financial position as at September 30, 2014 and the statements of operations and changes in net assets, statement of changes in net assets - restricted funds and statement of cash flows for the year then ended September 30, 2014, and a summary of accounting policies and other explanatory information.

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.

Auditor's 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 Foundation as at September 30, 2014 and the results of its operations and its cash flows for the year then ended September 30, 2014 in accordance with Canadian accounting standards for not-for-profit organizations.

Independent Auditor's Report to the Board of Maple Ridge Community Foundation (Continued)

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Maple Ridge, BC
February 17, 2015

PSVC

PSVC CHARTERED ACCOUNTANTS

THE MAPLE RIDGE COMMUNITY FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
Year Ended September 30, 2014

| | 2014 | 2013 |
|-----------------------------------------------------|------------------|-------------------|
| Revenue | | |
| <u>Restricted</u> | | |
| Donations | \$ 48,867 | \$ 29,405 |
| Investment income | 21,419 | 19,653 |
| Gain (loss) on securities | (10,238) | 31,728 |
| | 60,050 | 80,784 |
| <u>Unrestricted</u> | | |
| Administration fees | 13,049 | 13,379 |
| Annual dinner | 28,227 | 31,897 |
| Golf event | 19,743 | 19,088 |
| Unrealized Gain (loss) on marketable securities | 46,839 | (29,637) |
| | 107,858 | 34,725 |
| | 167,908 | 115,509 |
| Expenses | | |
| <u>Restricted</u> | | |
| Administration fees | 13,049 | 13,379 |
| Bursaries | 3,000 | 4,500 |
| Funds returned to Donor - note 4 | 75,831 | - |
| Grants | 65,573 | 18,870 |
| | 157,453 | 36,749 |
| <u>Unrestricted</u> | | |
| Advertising and promotion | 3,936 | 2,887 |
| Audit | 1,047 | 2,779 |
| Annual dinner | 11,047 | 10,437 |
| Golf event | 13,614 | 12,949 |
| Insurance | 1,783 | 1,735 |
| Office and sundry | 4,166 | 5,505 |
| Office services | 10,765 | 7,278 |
| | 46,358 | 43,570 |
| | 203,811 | 80,319 |
| Excess (deficiency) of revenue over expenses | (35,903) | 35,190 |
| Restricted Fund Transfers | 97,402 | (44,035) |
| Net Surplus | 61,499 | (8,845) |
| Net assets, beginning of year | (2,377) | 6,468 |
| Net assets, end of year | \$ 59,122 | \$ (2,377) |

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

THE MAPLE RIDGE COMMUNITY FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS - RESTRICTED FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | Net Assets Beginning of the Year | Donation Income | Disbursements Withdrawals | Investment Income | Transfers from (to) Unrestricted | Net Assets End of the Year |
|---------------------------------------------|----------------------------------------|--------------------|------------------------------|----------------------|----------------------------------------|-------------------------------|
| 3038 Anne and Richard Vogel Fund | 9,752 | - | 391 | 119 | 144 | 9,335 |
| 3021 Austin Pelton Memorial Fund | 35,501 | - | 1,424 | 432 | 524 | 33,985 |
| 3024 Brian Elliott Family Fund | 17,489 | - | 702 | 213 | 258 | 16,742 |
| 3035 Bruce Johnston Fund | 11,482 | - | 461 | 140 | 169 | 10,992 |
| 3039 Community Chest | 6,416 | 5,180 | 7,500 | 29 | 39 | 4,086 |
| 3002 Community Endowment Fund | 148,644 | 6,364 | 7,056 | 1,826 | 2,221 | 147,557 |
| 3023 Dave & Donna Telep Fund | 11,890 | - | 477 | 145 | 175 | 11,382 |
| 3003 Directors' Endowment | 11,083 | - | 445 | 135 | 164 | 10,610 |
| 3033 Dunning Family Fund | 10,368 | - | 416 | 126 | 153 | 9,926 |
| 3007 Endowment for Physically Disabled | 9,129 | - | - | 112 | 137 | 9,104 |
| 3028 Environmental Endowment Fund | 19,941 | - | - | 246 | 300 | 19,886 |
| 3013 Founders' Cup Charity Classic | 43,117 | 10,000 | - | 573 | 710 | 52,980 |
| 3016 Founders' Cup Special Fund | 22,849 | - | - | 281 | 344 | 22,786 |
| 3025 John & Douglas King Family Fund | 25,959 | 1,100 | 1,064 | 322 | 391 | 25,925 |
| 3022 Marv Jones Family Fund | 6,354 | - | 255 | 77 | 94 | 6,083 |
| 3006 Mussalem Youth Fund | 51,199 | 8,814 | 3,000 | 638 | 789 | 56,861 |
| 3005 Mussalem Vocational Education Fund | 58,408 | 7,409 | - | 740 | 919 | 65,637 |
| 3018 Patrick Smith Family Fund | 2,024 | - | 81 | 25 | 30 | 1,937 |
| 3004 R.M. Youth Advocacy Fund | 55,763 | - | - | 687 | 840 | 55,610 |
| 3037 Ridge Canoe & Kayak Club Fund - note 4 | 75,534 | - | 75,831 | 1,151 | 854 | 0 |
| 3036 Ridge Meadows Hospice Society Fund | 38,289 | - | - | 471 | 576 | 38,184 |
| 3029 Ridge Meadows Seniors Fund | 12,843 | - | - | 158 | 193 | 12,808 |
| 3026 Robert Harrison Family Fund | 10,574 | - | 424 | 129 | 156 | 10,122 |
| 3027 Robson Family Fund | 13,739 | - | - | 169 | 207 | 13,701 |
| 3009 Ron Merkley Memorial Library Fund | 11,062 | - | - | 136 | 167 | 11,092 |
| 3011 Rotary of Haney Endowment Fund | 105,263 | - | 7,015 | 1,289 | 1,558 | 97,978 |
| 3012 Rotary of Haney Youth | 26,702 | 10,000 | 36,708 | 223 | 217 | 0 |
| 3030 Shantz Family Fund | 5,508 | - | 221 | 67 | 81 | 5,273 |
| 3032 Stephen & Joanne Telep Fund | 11,747 | - | 471 | 143 | 173 | 11,245 |
| 3034 Tom Meler Fund | 11,482 | - | 461 | 140 | 169 | 10,992 |
| 3031 Turell Brown Memorial Scholarship | 3,528 | - | - | 43 | 53 | 3,518 |
| 3020 Van Vloten Cultural Fund | 16,045 | - | - | 198 | 242 | 16,001 |
| 2014 Totals | 899,680 | 48,867 | 144,404 | 11,183 | 13,049 | 802,278 |
| 2013 Totals | 855,646 | 29,405 | 51,379 - | 23,370 - | 13,379 | 899,680 |

THE MAPLE RIDGE COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
Year Ended September 30, 2014

| | 2014 | 2013 |
|----------------------------------------------------|------------------|------------------|
| Cash flows from (for) operating activities: | | |
| Excess (deficiency) of revenue over expenses | \$ (35,903) | \$ 35,190 |
| Items not requiring an outlay of funds | | |
| Unrealized Gain (loss) on marketable securities | (46,839) | 29,405 |
| | (82,742) | 64,595 |
| Changes in non-cash working capital | | |
| Government agencies recoverable | 419 | 7,820 |
| Accrued interest receivable | 263 | 114 |
| Accounts payable and accrued liabilities | 3,874 | (1,999) |
| | (78,186) | 70,530 |
| Cash flows from (for) investing activities: | | |
| Investments | 54,595 | (45,818) |
| Increase (decrease) in cash | (23,591) | 24,712 |
| Cash, beginning of year | 76,358 | 51,646 |
| Cash, end of year | \$ 52,767 | \$ 76,358 |

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

THE MAPLE RIDGE COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2014

PURPOSE OF THE ORGANIZATION

The Maple Ridge Community Foundation is a local charitable organization that uses the funds and property entrusted to it for such charitable purposes as will, at the sole discretion of the Board of Directors of the Foundation, most effectively assist, encourage and promote the well-being and quality of life of the residents of the Municipality of Maple Ridge.

The Foundation is registered with the Charities Division, Canada Revenue Agency and is classified as a public foundation. As such, it is exempt from federal income tax and can issue charitable donation receipts.

The Foundation is also a registered society under the Society Act of British Columbia as a not-for-profit organization.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies.

Income Taxes

The Foundation is exempt from provincial and federal income tax.

Revenue Recognition

The Foundation recognizes revenue from donations in the period in which such amounts are received. Donations which are restricted for specific purposes are recognized as revenue in the appropriate restricted fund.

Subsequent use of these restricted funds are shown as expenses in the period in which the disbursements are made and they are charged against the appropriate restricted fund.

Investments

The Foundations investments in Marketable Securities, consisting entirely of shares of publicly traded companies on Canadian and US exchanges, are initially and subsequently measured at fair value. Changes in fair value are recognized in net income in the period incurred. Transaction costs that are directly attributable to the acquisition of these investments are recognized in net income in the period incurred.

Contributed Services

Volunteers contribute many hours per year to assist the Foundation in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

THE MAPLE RIDGE COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates and would impact future results of operations and cash flows.

Financial Statement Presentation

In accordance with, the CICA Handbook Section 1401 General Standards of Financial Statement Presentation, management has made its assessment and concluded there is no issue regarding the Foundation's ability to continue as a going concern based on the assumption that the current revenue levels will not significantly decline. If there are significant declines in revenues, expenses will be adjusted to match.

2. INVESTMENTS

Investments are represented by the following:

| | 2014 | 2013 |
|----------|------------|------------|
| Cash | \$ 16,576 | \$ 95,242 |
| Equities | 686,205 | 615,295 |
| | \$ 702,781 | \$ 710,537 |

The cost of investments at September 30, 2014 was \$686,382 (2013 \$637,171)

3. ENDOWMENT FUND

In 2003, the Foundation established an endowment fund, The Maple Ridge Community Foundation Endowment Fund, managed by the Vancouver Foundation. The capital of the Fund and any additional contributions are held permanently by the Vancouver Foundation and the earnings are paid to the Maple Ridge Community Foundation for its activities. The total capital held in the Endowment Fund at September 30, 2014 is \$110,000 (2013 \$110,000).

4. RESTRICTED FUNDS

The Foundation received notice from the Rotary Club of Meadow Ridge that funds in the amount of \$75,000 held on behalf of the Ridge Meadows Canoe & Kayak Club were to be returned. On August 31, 2014, \$75,000 plus interest of \$565, for a total of \$75,565 was returned. A balance of \$266 is still payable to the Rotary Club of Meadow Ridge.

THE MAPLE RIDGE COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended September 30, 2014

5. RISK MANAGEMENT

Foreign Exchange Risk

The Foundation has an exposure to foreign currency fluctuations on its foreign currency denominated assets and liabilities. Such foreign exchange currency fluctuations will continually affect the society's income.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the fair value or future cash flows of the Foundations financial instruments. The Foundation is exposed from time to time to the interest rate risk as a result of holding fixed rate cash equivalent investment of varying maturities. The Foundation reduces the risk that it will realize a loss as a result of a decline in the fair value of these investments by limiting these investments to highly liquid securities with short-term maturities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is exposed to all three types of risk.

6. FINANCIAL INSTRUMENTS

The financial instruments of the Foundation consist of cash, term deposits, short-term investments and accounts payable. It is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

7. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the current year's financial statement presentation. Such reclassification does not have any effect on the earnings or net assets previously reported.
