

# **THE MAPLE RIDGE COMMUNITY FOUNDATION**

**Financial Statements**

**September 30, 2013**



**Paterson Schultz Volpatti Colley**

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### Independent Auditors' Report

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#### 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, 2013, September 30, 2012 and October 1, 2011 and the statements of operations and changes in net assets - unrestricted fund, statement of restricted funds and statement of cash flows for the years then ended September 30, 2013 and 2012, 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, 2013, September 30, 2012 and October 1, 2011 and the results of its operations and its cash flows for the years then ended September 30, 2013 and 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

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

**Comparative figures**

Without modifying our opinion, we draw attention to note 2 to the financial statements which describes that the Foundation adopted Canadian accounting standards for not-for-profit organizations on October 1, 2012 with a transitional date of October 1, 2011.

**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, after giving retrospective effect to the first time adoption of the new standards as explained in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

Maple Ridge, BC  
February 14, 2014

PSVC

PSVC CHARTERED ACCOUNTANTS

**THE MAPLE RIDGE COMMUNITY FOUNDATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS - UNRESTRICTED FUND**  
Year Ended September 30, 2013

	<b>2013</b>	<b>2012</b>
	<b>(restated) (see Note 2)</b>	
<b>Revenue</b>		
Administration fees	\$ 13,379	\$ 13,013
Annual dinner	31,897	24,000
Calendar sales - net	-	4,295
Donations - restricted	29,405	20,815
Investment income - restricted	19,653	15,261
Gains on securities - restricted	31,726	250
Golf event	19,086	17,325
Unrealized Gain (loss) on marketable securities - note 2	(29,637)	31,989
	115,509	126,948
<b>Expenses</b>		
Advertising and promotion	2,887	2,716
Audit	2,779	3,000
Annual dinner expense	10,437	11,056
Bursaries - restricted	4,500	4,647
Executive director	-	4,733
Golf event expense	12,949	13,009
Grants - restricted	18,870	15,700
Insurance	1,735	1,735
Office and sundry	5,505	5,815
Office services	7,278	9,844
	66,940	72,255
<b>Excess of revenue over expenses</b>	<b>48,569</b>	<b>54,693</b>
<b>Restricted Fund Transfers</b>	<b>(57,414)</b>	<b>(15,979)</b>
<b>Net (Deficit) Surplus</b>	<b>(8,845)</b>	<b>38,714</b>
<b>Net assets, beginning of year</b>	<b>6,468</b>	<b>(32,247)</b>
<b>Net assets, end of year</b>	<b>\$ (2,377)</b>	<b>\$ 6,467</b>

**THE MAPLE RIDGE COMMUNITY FOUNDATION**  
**STATEMENT OF CHANGES IN NET ASSETS - RESTRICTED FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Net Assets		Transfers from			Net Assets End of
	Beginning of the Year	Donation Income	Investment Income	Grants Bursaries	(to) Unrestricted	the Year
Anne and Richard Vogel Fund	9,853		605	(560)	(147)	9,752
Austin Pelton Memorial Fund	35,720	150	2,193	(2,029)	(533)	35,501
Brian Elliott Family Fund	17,671		1,085	(1,004)	(264)	17,489
Bruce Johnston Fund	11,602		712	(659)	(173)	11,482
Community Chest		6,400	46		(29)	6,416
Community Endowment Fund	148,823	1,355	9,204	(8,503)	(2,235)	148,644
Dave & Donna Telep Fund	12,014		737	(682)	(179)	11,890
Directors' Endowment	11,199		687	(636)	(167)	11,083
Dunning Family Fund	10,477		643	(595)	(156)	10,368
Endowment for Physically Disabled	8,708		557		(136)	9,129
Environmental Endowment Fund	19,022		1,216		(297)	19,941
Founders' Cup Charity Classic	30,739	10,500	2,492		(614)	43,117
Founders' Cup Special Fund	21,796		1,393		(340)	22,849
John & Douglas King Family Fund	25,205	1,000	1,610	(1,465)	(391)	25,959
Marv Jones Family Fund	6,420		394	(365)	(96)	6,354
Mussalem Youth Fund	50,338		3,122	(1,500)	(762)	51,199
Mussallem Vocational Education Fund	58,649		3,644	(3,000)	(886)	58,408
Patrick Smith Family Fund	2,045		126	(116)	(31)	2,024
R.M. Youth Advocacy Fund	53,192		3,400		(830)	55,763
Ridge Canoe & Kayak Club Fund	75,466		1,205		(1,137)	75,534
Ridge Meadows Hospice Society Fund	36,524		2,335		(570)	38,289
Ridge Meadows Seniors Fund	12,251		783		(191)	12,843
Robert Harrison Family Fund	10,684		656	(607)	(159)	10,574
Robson Family Fund	13,105		838		(204)	13,739
Ron Merkley Memorial Library Fund	10,552		675		(165)	11,062
Rotary of Haney Endowment Fund	115,410	(15,000)	6,419		(1,566)	105,263
Rotary of Haney Youth	471	25,000	1,628		(397)	26,702
Shantz Family Fund	5,565		342	(316)	(83)	5,508
Stephen & Joanne Telep Fund	11,869		729	(674)	(177)	11,747
Tom Meier Fund	11,602		712	(659)	(173)	11,482
Turell Brown Memorial Scholarship	3,365		215		(52)	3,528
Van Vloten Cultural Fund	15,305		978		(239)	16,045
 2013 Totals	 855,646	 29,405	 51,379	 (\$23,370)	 (13,379)	 899,680
 2012 Totals	 \$852,680	 \$20,815	 \$15,511	 (\$20,347)	 (\$13,013)	 \$855,646

**THE MAPLE RIDGE COMMUNITY FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
Year Ended September 30, 2013

	<b>2013</b>	<b>2012</b>
	<b>(restated) (see Note 2)</b>	
<b>Cash flows from (for) operating activities:</b>		
Excess of revenue over expenses	\$ 48,569	\$ 54,693
Items not requiring an outlay of funds		
Administration fees	(13,379)	(13,013)
Unrealized Gain (loss) on marketable securities	29,405	(31,989)
	64,595	9,691
Changes in non-cash working capital		
Government agencies recoverable	7,820	(2,497)
Accrued interest receivable	114	(58)
Accounts payable and accrued liabilities	(1,999)	3,000
	70,530	10,136
<b>Cash flows from (for) investing activities:</b>		
Investments	(45,818)	18,723
<b>Increase (decrease) in cash</b>	<b>24,712</b>	<b>28,859</b>
<b>Cash, beginning of year</b>	<b>51,646</b>	<b>22,787</b>
<b>Cash, end of year</b>	<b>\$ 76,358</b>	<b>\$ 51,646</b>

# THE MAPLE RIDGE COMMUNITY FOUNDATION

## STATEMENT OF FINANCIAL POSITION

September 30, 2013

	September 30 2013	September 30 2012	October 1 2011
	(restated) (see Note 2)	(restated) (see Note 2)	
<b>ASSETS</b>			
Current:			
Cash	\$ 76,358	\$ 51,646	\$ 22,787
Government agencies recoverable	1,146	8,967	6,470
Accrued interest receivable	264	378	321
	77,768	60,991	29,578
Investments - note 3	710,537	694,123	680,855
Endowment fund - note 4	110,000	110,000	110,000
	<b>\$ 898,305</b>	<b>\$ 865,114</b>	<b>\$ 820,433</b>

## LIABILITIES AND NET ASSETS

Current:			
Accounts payable and accrued liabilities	\$ 1,002	\$ 3,001	\$ -
Net assets			
Unrestricted (deficit)			
Unrestricted (deficit)	(2,377)	6,467	(32,247)
Restricted	899,680	855,646	852,680
	897,303	862,113	820,433
	<b>\$ 898,305</b>	<b>\$ 865,114</b>	<b>\$ 820,433</b>

On behalf of the Board

\_\_\_\_\_  
Director \_\_\_\_\_ Date  
\_\_\_\_\_  
Director \_\_\_\_\_ Date

# **THE MAPLE RIDGE COMMUNITY FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended September 30, 2013**

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### **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.

#### **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.

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**THE MAPLE RIDGE COMMUNITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended September 30, 2013

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**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 FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

The financial statements for the year ended September 30, 2013 are the first financial statements that are prepared in accordance with ASNPO. The financial statements for the year ended September 30, 2012 were prepared in accordance with the former Canadian generally accepted accounting principles in the CICA Handbook - Accounting Part V version (Pre-changeover GAAP).

Under ASNPO provisions, as set out in Section 1500 First-Time Adoption, the date of transition is the beginning of the fiscal year for comparative information. Therefore, the transition date for the Society is October 1, 2011, the beginning of the fiscal year ended September 30, 2012.

Summary of changes in opening retained earnings at October 1, 2011:

Unrestricted net assets under Pre-changeover GAAP	\$ (13,246)
Add: Unrealized loss on investments adjusted to market value	(19,001)
<b>Unrestricted net assets under ASNPO</b>	<b>(32,247)</b>

Reconciliation of net income for the year ended September 30, 2012 under Pre-changeover GAAP to ASNPO:

Net surplus (deficit) under Pre-changeover GAAP	\$ 6,725
Add: Unrealized gain on investments adjusted to market value	31,989
<b>Net surplus (deficit) under ASNPO</b>	<b>\$ 38,714</b>

**THE MAPLE RIDGE COMMUNITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended September 30, 2013

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**3. INVESTMENTS**

Investments are represented by the following:

	<b>2013</b>	<b>2012</b>
Cash	\$ 95,242	\$ 82,693
Equities	615,295	611,430
	<hr/> <b>\$ 710,537</b>	<hr/> <b>\$ 694,123</b>

The cost of Equities at September 30, 2013 was \$637,171 (2012 \$681,135)

**4. 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, 2013 is \$110,000 (2012 \$110,000).

**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.

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**THE MAPLE RIDGE COMMUNITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended September 30, 2013

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**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.