
TRAIL ASSOCIATION FOR COMMUNITY LIVING

FINANCIAL STATEMENTS
MARCH 31, 2019

TRAIL ASSOCIATION FOR COMMUNITY LIVING

MARCH 31, 2019
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TRAIL ASSOCIATION FOR COMMUNITY LIVING

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 340,735	\$ 314,927
Accounts receivable	38,339	51,984
Sales tax receivable	11,507	7,587
Prepaid expenses and deposits	46,703	12,728
	437,284	387,226
TANGIBLE CAPITAL ASSETS (Note 2)	1,216,792	1,210,252
	\$ 1,654,076	\$ 1,597,478
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	376,057	415,061
Government remittances payable	27,748	24,002
Deferred contributions (Note 4)	66,057	35,874
Current portion of mortgage payable (Note 6)	6,028	5,795
	475,890	480,732
LONG TERM		
Mortgage payable (Note 6)	159,234	165,261
	635,124	645,993
NET ASSETS		
UNRESTRICTED	(193,018)	(248,151)
INVESTED IN TANGIBLE CAPITAL ASSETS (Note 7)	1,051,530	1,039,196
INTERNALLY RESTRICTED (Note 8)	160,440	160,440
	1,018,952	951,485
	\$ 1,654,076	\$ 1,597,478

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

TRAIL ASSOCIATION FOR COMMUNITY LIVING

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
REVENUES		
Grants and subsidies	\$ 5,050,185	\$ 4,650,084
Rent	235,642	205,404
Sales and miscellaneous	77,368	90,467
Donations and fundraisers	70,042	37,739
	<hr/>	<hr/>
	5,433,237	4,983,694
EXPENSES		
Amortization	96,034	86,927
Bank charges and miscellaneous	3,622	3,964
Health services	7,752	9,010
Insurance	19,508	15,334
Office and program supplies	260,619	262,662
Professional fees	25,398	30,510
Property taxes	18,003	13,871
Rent (Note 9)	51,859	25,726
Repairs and maintenance	70,726	57,201
Staff training and travel	38,258	26,106
Telephone	27,790	22,519
Transportation	77,166	85,079
Utilities	44,789	45,880
Wages and benefits (Note 10)	4,624,246	4,183,144
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	5,365,770	4,867,933
EXCESS OF REVENUES OVER EXPENSES	<hr/>	<hr/>
	\$ 67,467	\$ 115,761

TRAIL ASSOCIATION FOR COMMUNITY LIVING

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2019

	Invested in Tangible Capital Assets (Note 7)	Internally Restricted (Note 8)	Unrestricted	2019	2018
Balance, beginning of year	\$ 1,039,196	\$ 160,440	\$ (248,151)	\$ 951,485	\$ 835,724
(Deficiency) excess of revenue over expenses	(96,034)	-	163,501	67,467	115,761
Purchase of tangible capital assets	102,574	-	(102,574)	-	-
Repayment of long term debt	5,794	-	(5,794)	-	-
Balance, end of year	\$ 1,051,530	\$ 160,440	\$ (193,018)	\$ 1,018,952	\$ 951,485

TRAIL ASSOCIATION FOR COMMUNITY LIVING

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 67,467	\$ 115,761
Amortization	96,034	86,927
	163,501	202,688
Net change in non-cash working capital		
Accounts receivable	9,725	(5,494)
Prepaid expenses and deposits	(33,975)	1,371
Accounts payable and accrued liabilities	(39,004)	69,486
Government remittances payable	3,746	5,409
Deferred revenues	30,183	(46,745)
	134,176	226,715
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of mortgage payable	(5,794)	-
Net proceeds of mortgage payable	-	171,056
	(5,794)	171,056
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible capital assets	(102,574)	(271,684)
INCREASE IN CASH	25,808	126,087
CASH, beginning of year	314,927	188,840
CASH, end of year	\$ 340,735	\$ 314,927
CASH IS COMPRISED OF:		
Cash on hand	\$ 85,912	\$ 1,450
Cash in chartered banks	212,949	286,103
Manulife deposits	41,874	27,374
	340,735	314,927

TRAIL ASSOCIATION FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

NATURE OF OPERATIONS

The Trail Association For Community Living (the "Society") is a multi-service umbrella agency providing support and services to individuals in the Greater Trail area. The Society is a non-profit organization incorporated under the Society Act of British Columbia and considered to be non-taxable under Section 149 (1) of the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 year. Significant items subject to such estimates and assumptions include the valuation of accounts receivable, accrued liabilities included in accounts payable and accrued liabilities and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

(c) Financial Instruments

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all of its financial assets and financial liabilities at amortized cost, except for cash which is measured at fair value.

Financial assets measured at amortized cost include accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(d) 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 listed below. In the year of acquisition, tangible capital assets are amortized at one-half the normal rates.

Buildings	25 year straight line
Equipment	5 year straight line
Landscaping	5 year straight line
Vehicles	5 year straight line

TRAIL ASSOCIATION FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

(e) Impairment of Long-lived Assets

Long-lived assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to its fair value. Fair value is determined using an appropriate valuation technique such as a quoted price in an active market or the present value of future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(f) Net Assets Invested in Tangible Capital Assets

The Society records amounts paid for the acquisition of tangible capital assets, principal repayments on loans incurred to acquire tangible capital assets and amortization of deferred contributions related to tangible capital assets to this account. A reduction is charged against this account for the net book value of tangible capital assets sold in the year, debt issued for the purchase of tangible capital assets, grants received for the purchase of tangible capital assets and amortization of tangible capital assets. The net investment is classified as restricted where there are external restrictions placed upon the use and or possible future dispositions of the tangible capital assets.

(g) Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income, donations and fundraising revenues are recognized when funds are received. Rents and merchandise sales are recognized when goods and services are delivered provided that collection is reasonably assured.

(h) Contributed Services

The Society would not be able to carry out its activities without the services of the many volunteers who donate a considerable amount of their time. Because of the difficulty of valuing this time, contributed services are not recognized in the financial statements.

TRAIL ASSOCIATION FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

2. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2019	Net 2018
Land	\$ 247,891	\$ -	\$ 247,891	\$ 247,891
Buildings	1,678,631	835,496	843,135	855,055
Equipment	302,684	203,519	99,165	97,988
Landscaping	2,529	2,529	-	-
Vehicle	169,204	142,603	26,601	9,318
	\$ 2,400,939	\$ 1,184,147	\$ 1,216,792	\$ 1,210,252

3. BANK INDEBTEDNESS

A demand operating loan has been authorized by the Bank of Montreal to a maximum of \$205,000 and bears interest at the bank's prime lending rate plus 5.0% per annum and is secured by property located at Fruitvale, British Columbia with a carrying value of \$141,800. At March 31, 2019 the prime lending rate was 3.95% per annum.

4. DEFERRED CONTRIBUTIONS

	2019	2018
Balance, beginning of year	\$ 35,874	\$ 60,900
Amount recognized in the year	(35,874)	(60,900)
Amount received relating to future periods	66,057	35,874
Balance, end of year	\$ 66,057	\$ 35,874

Deferred contributions at year end relate to the following programs:

	2019	2018
CBT Homelessness Grant	\$ 11,033	\$ -
Gaming Grant	50,243	-
Tech Grant	-	5,874
Theatre Group	3,002	-
Transportation Support	1,779	-
Youth Action Network	-	30,000
Total deferred contributions	\$ 66,057	\$ 35,874

TRAIL ASSOCIATION FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

5. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred contributions related to tangible capital assets represents the unamortized amount of restricted contributions received for the purchase of leasehold improvements in tangible capital assets. The amortization of such contributions is recorded as revenue in the statement of operations. The changes in the deferred contributions related to tangible capital assets are as follows:

	2019	2018
Balance, beginning of year	\$ -	\$ 21,719
Add: amounts received during the year	-	-
Less: amounts recognized as revenue in the year	-	(21,719)
Balance, end of year	\$ -	\$ -

6. MORTGAGE PAYABLE

	2019	2018
Bank of Montreal mortgage repayable in blended principal and interest payments of \$1,039 per month including interest at 3.96%; secured by a general security agreement on land and buildings. This loan matures on January 31, 2038.	\$ 165,262	\$ 171,056
Less: Current portion	6,028	5,795
	\$ 159,234	\$ 165,261

Approximate principal repayments for the next five years are expected to be as follows:

2020	\$ 6,028
2021	6,271
2023	6,524
2024	6,787
2025	7,061
Thereafter	132,591
	\$ 165,262

TRAIL ASSOCIATION FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2019

7. NET ASSETS INVESTED IN TANGIBLE CAPITAL ASSETS

	2019	2018
Tangible capital assets	\$ 1,216,792	\$ 1,210,252
Amount financed by mortgage	(165,262)	(171,056)
	\$ 1,051,530	\$ 1,039,196

8. INTERNALLY RESTRICTED NET ASSETS

	2019	2018
Memorial Fund Reserve	\$ 22,584	\$ 22,584
Replacement Fund Reserve	117,856	117,856
Children and Youth Reserve	20,000	20,000
	\$ 160,440	\$ 160,440

TRAIL ASSOCIATION FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

9. ECONOMIC DEPENDENCE

The Society receives a significant portion of its funding from the provincial government through Community Living British Columbia (CLBC). Loss of this funding would substantially affect the daily operations of the Society.

10. OPERATING LEASE COMMITMENTS

The Society's total future minimum lease payments under operating lease commitments, net of appropriate taxes, are as follows:

2020	15,600
2021	15,600
	<hr/>
	\$ 31,200

11. BRITISH COLUMBIA SOCIETIES ACT

On November 28, 2016 the new British Columbia Societies Act (the "Act") came into effect. The new Act requires disclosure of remuneration greater than \$75,000 annually for Directors and contractors. Additionally, the remunerations of the ten highest paid employees with remunerations greater than \$75,000 must be disclosed. The Society has one individual, the Executive Director, who falls into this category. For the year ended March 31, 2019 this remuneration was approximately \$94,000.

12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its obligations associated with financial liabilities. Cash flows from operations provide the Society's cash requirements.

Credit Risk

The Society is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Society does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Interest Rate Risk

The Society's interest-bearing assets and liabilities consist of deposits held with Manulife. The Manulife deposits have fixed interest rates but are available at any time, which should minimize the interest rate risk for the Society.

TRAIL ASSOCIATION FOR COMMUNITY LIVING

**SCHEDULE 1 - OPERATING FUNDS OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2019**
(Unaudited)

	ADMIN	CAREER DEVELOPMENT SERVICES	TACL PROGRAMS	RESIDENCE	TOTAL 2019	TOTAL 2018
REVENUES						
Grants, subsidies and contracts	\$ 448,287	\$ 1,679,926	\$ 599,786	\$ 2,322,186	\$ 5,050,185	\$ 4,650,084
Sales and miscellaneous	25	77,343	-	-	77,368	90,467
Rent, transportation and support	1,515	43,043	40	191,044	235,642	205,404
Donations and fundraisers	7,952	54,103	1,579	6,408	70,042	37,739
	457,779	1,854,415	601,405	2,519,638	5,433,237	4,983,694
EXPENSES						
Bank charges and miscellaneous	2,220	1,242	30	130	3,622	3,964
Health services	98	1,279	2,659	3,716	7,752	9,010
Insurance	516	7,633	3,098	8,261	19,508	15,334
Office and program supplies	20,562	140,802	10,700	88,555	260,619	262,662
Professional fees	17,770	7,628	-	-	25,398	30,510
Property taxes	8,682	-	2,276	7,045	18,003	13,871
Rent	6,669	45,190	-	-	51,859	25,726
Repairs and maintenance	8,542	23,162	26,612	12,410	70,726	57,201
Staff training and travel	17,442	16,363	672	3,781	38,258	26,106
Telephone	5,616	15,182	2,845	4,147	27,790	22,519
Transportation	9,390	29,143	11,161	27,472	77,166	85,079
Utilities	3,751	10,680	5,105	25,253	44,789	45,880
Wages and benefits	470,907	1,549,788	498,929	2,104,622	4,624,246	4,183,144
	572,165	1,848,092	564,087	2,285,392	5,269,736	4,781,006
EXCESS REVENUES OVER EXPENSES	\$ (114,386)	\$ 6,323	\$ 37,318	\$ 234,246	\$ 163,501	\$ 202,688

TRAIL ASSOCIATION FOR COMMUNITY LIVING
