



## **Financial Statements**

**March 31, 2024**

To the Members of Chilliwack Community Services:

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Chilliwack Community Services (the "Society"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, these principals have been applied on a basis consistent with that of the preceding year.

Chilliwack, British Columbia

June 12, 2024

**MNP LLP**

Chartered Professional Accountants

**Statement of Financial Position  
March 31, 2024**

	2024	(Note 17) 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,026,430	1,022,818
Restricted cash (Note 2)	231,018	3,810,130
Accounts receivable	439,264	401,731
Marketable securities (Note 3)	263,625	-
Prepaid expenses and deposits	121,682	48,262
	2,082,019	5,282,941
<b>Capital assets (Note 4) (Note 17)</b>	<b>25,513,965</b>	<b>15,318,767</b>
	<b>27,595,984</b>	<b>20,601,708</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accruals (Note 6)	994,672	1,574,398
Accrued salaries and benefits	139,793	119,984
Deferred income	640,264	1,001,386
Current portion of deferred gain	-	38,280
Current portion of capital lease obligations (Note 8)	40,454	-
	1,815,183	2,734,048
<b>Long-term debt (Note 7)</b>	<b>18,499,807</b>	<b>11,610,941</b>
<b>Capital lease obligations (Note 8)</b>	<b>162,429</b>	<b>-</b>
<b>Deferred contributions related to capital assets (Note 9) (Note 17)</b>	<b>1,553,585</b>	<b>1,147,997</b>
	<b>22,031,004</b>	<b>15,492,986</b>
<b>Net Assets</b>		
Invested in capital assets (Note 10)	4,643,504	1,623,382
Internally restricted (Note 13)	77,330	3,605,800
Externally restricted	231,018	204,330
Unrestricted	613,128	(324,790)
	5,564,980	5,108,722
	<b>27,595,984</b>	<b>20,601,708</b>
Commitments (Note 11), Subsequent events (Note 18)		

Approved by the Directors:

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**Statement of Operations  
Year ended March 31, 2024**

	Budget	2024	2023
<b>Revenue</b>			
Contracts:			
Provincial Government			
Children and Family Development	2,262,486	2,456,316	2,281,071
Education	452,409	481,531	193,515
Advanced Education and Skills Training	58,502	65,831	137,367
Justice	193,464	205,781	183,513
Municipal Affairs	242,000	334,944	242,000
BC Housing Management Commission	488,701	473,304	481,931
Immigration, Refugees and Citizenship Canada	1,146,311	1,539,636	1,109,101
Health Canada	145,743	145,743	145,743
Justice Canada	-	172,919	2,745
Fraser Health Region	36,706	47,731	36,716
Other contracts	658,125	687,150	482,290
Grants:			
City of Chilliwack	198,471	202,671	210,477
Other	439,386	577,114	499,247
Donations	816,684	558,500	807,343
Fundraising	112,500	156,000	136,500
Trailing fees	10,000	13,500	3,700
Rental income	176,440	165,926	172,400
Gaming	110,000	110,834	123,791
Fees for services	143,000	141,287	144,575
Interest	104,012	160,068	75,280
Recovery of prior year surplus	-	22,409	-
	7,794,940	8,719,195	7,469,305
<b>Expenses</b>			
Salaries and benefits	5,825,373	5,651,327	4,988,339
Program expenses (Note 20)	1,472,943	2,149,609	1,962,908
Facilities expenses (Note 20)	476,715	471,867	391,806
Amortization	65,285	83,100	77,070
Amortization of deferred capital contributions	(45,376)	(54,686)	(45,376)
	7,794,940	8,301,217	7,374,747
<b>Earnings before the undernoted</b>	-	417,978	94,558
<b>Other income</b>			
Gain on disposal of capital assets	-	38,280	225,300
<b>Excess of revenue over expenses</b>	-	456,258	319,858

**Statements of Changes in Net Assets  
Year ended March 31, 2024**

	<b>Unrestricted</b>	<b>Internally Restricted</b>	<b>Externally Restricted</b>	<b>Invested in Capital Assets</b>	<b>2024</b>	<b>2023</b>
Balance, beginning of year	(324,790)	3,605,800	204,330	1,623,382	5,108,722	4,788,864
Excess (deficiency) of revenue over expenses	292,412	151,052	2,928	9,866	456,258	319,858
Net change in investment in capital assets	(3,010,256)	-	-	3,010,256	-	-
Replacement reserve	(23,760)	-	23,760	-	-	-
Transfer from staff training and education fund	3,667	(3,667)	-	-	-	-
Equity contribution for new building	3,500,000	(3,500,000)	-	-	-	-
Transfer out excess new building funds	175,855	(175,855)	-	-	-	-
<b>Balance, end of year</b>	<b>613,128</b>	<b>77,330</b>	<b>231,018</b>	<b>4,643,504</b>	<b>5,564,980</b>	<b>5,108,722</b>

**Statement of Cash Flows  
Year ended March 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	456,258	319,858
Items not involving cash		
Amortization	83,100	77,070
Amortization of deferred capital contributions	(54,684)	(45,376)
Gain on disposal of capital assets	(38,280)	(225,300)
Changes in working capital accounts		
Accounts receivable	(37,533)	210,235
Prepaid expenses and deposits	(73,420)	(10,255)
Marketable securities	(263,625)	319,462
Accounts payable and accruals	(579,729)	686,398
Accrued salaries and benefits	19,811	14,552
Deferred income	(361,122)	(150,950)
	<b>(849,224)</b>	<b>1,195,694</b>
<b>Financing</b>		
Contributions related to capital assets	460,272	28,996
Proceeds from long-term debt	10,388,866	10,203,463
Repayment of long-term debt	(3,500,000)	-
Repayment of capital lease obligation	(20,551)	-
	<b>7,328,587</b>	<b>10,232,459</b>
<b>Investing</b>		
Acquisition of capital assets	(10,054,863)	(10,628,042)
Decrease (increase) in restricted cash	3,579,112	(1,076,337)
	<b>(6,475,751)</b>	<b>(11,704,379)</b>
<b>Increase (decrease) in cash resources</b>	<b>3,612</b>	<b>(276,226)</b>
<b>Cash resources, beginning of period</b>	<b>1,022,818</b>	<b>1,299,044</b>
<b>Cash resources, end of period</b>	<b>1,026,430</b>	<b>1,022,818</b>
<b>Non-cash transaction:</b>		
Vehicle acquired by capital lease	223,434	-

## **Nature of operations**

Chilliwack Community Services (the "Society") is a non-profit society incorporated under the Societies Act of British Columbia and is a registered charitable organization. The Society provides a variety of community related social services for individuals and families within the City of Chilliwack and the surrounding area. The financial statements include all of the operations of the General and Capital Funds of the Society. All significant inter-fund transactions have been eliminated.

### **1. Significant accounting policies**

a) Revenue recognition:

The Society follows the deferral method of accounting for contributions, which includes donations and government grants.

Under various Acts and regulations thereto, the Society is funded by the Canadian Federal Government and the Province of British Columbia in accordance with contract arrangements established by various Ministries. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period. These financial statements reflect agreed arrangements approved by the respective funding agencies for the year ended March 31, 2024.

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.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital asset.

Revenues from fees, other contracts and sales of goods are recognized when the services are provided or the goods are sold.

Gifts-in-kind represent contributions of advertising, gifts, supplies, promotional materials and other miscellaneous items which would otherwise be paid for by the Society and are recorded at their estimated fair value at the time of receipt when such value can be reasonably determined.

b) Cash and cash equivalents:

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.



c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Minor capital additions are expensed as a program cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its lower of cost and net realizable value.

Capital assets are amortized on a straight-line basis as follows:

Buildings	25-45 years
Office and program equipment	5 years
Computer equipment	4 years
Furniture and fixtures	5 years
Leasehold improvements	10 years

d) Income taxes:

The Society is a registered charity and is exempt from federal and provincial income taxes.

e) Restricted net assets:

Internally restricted net assets represent reserves for future expenditures, and can only be used through direction provided by the board of directors.

f) Contributed materials and services:

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Society's operations and would otherwise have been purchased.

g) Financial instruments:

The Society recognizes financial instruments when the Society becomes a party to the contractual provisions of the financial instrument.

Arm's length financial instruments -

Financial instruments originated/acquired or issued/assumed in an arm's length transaction are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures investments in equity instruments that are quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at cost or amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment -

The Society assesses impairment of all its financial assets measured at cost or amortized cost. The Society groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset group. Management considers whether the issuer is having significant financial difficulty in determining whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in the impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

Measurement uncertainty (use of estimates) -

The preparation of the 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimate useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

**2. Restricted cash**

	<b>2024</b>	<b>2023</b>
Externally restricted for Village replacement reserve	231,018	204,330
Internally restricted for professional development fund	-	80,996
Internally restricted for new building	-	3,524,804
	<b>231,018</b>	<b>3,810,130</b>

**3. Marketable securities**

Marketable securities consist of money market instruments recorded at fair value. Of these \$77,330 are internally restricted for the professional development fund.

**4. Capital assets**

	<b>2024</b>	<i>(Note 17)</i> <b>2023</b>
<b>Cost</b>		
Land	1,410,000	1,410,000
Buildings	400,000	400,000
Equipment	74,535	70,683
Computer equipment	284,422	284,422
Furniture and fixtures	118,394	25,925
Vehicle under capital lease	223,434	-
Construction in progress	23,423,372	13,464,830
	<b>25,934,157</b>	<b>15,655,860</b>
<b>Accumulated amortization</b>		
Buildings	116,201	107,263
Equipment	62,981	59,130
Computer equipment	205,775	144,775
Furniture and fixtures	25,925	25,925
Vehicle under capital lease	9,310	-
	<b>420,192</b>	<b>337,093</b>
	<b>25,513,965</b>	<b>15,318,767</b>

Included in buildings is a 35 year prepaid lease with two 10 year and one 5 year renewal options at \$1 per annum for the School Street location commencing January 7, 2011 with a cost of \$400,000 (2023 - \$400,000) and accumulated amortization based on 45 years of \$116,201 (2023 - \$107,263). Interest of \$580,526 was capitalized to construction in progress during the year.

**5. Bank indebtedness**

The Society has an approved line of credit of \$400,000 (2023 - \$400,000) with interest at prime plus 0.5% secured by a general security agreement. This line of credit was not being utilized as at March 31, 2024 (2023 - nil).

**6. Accounts payable and accruals**

Included in accounts payable are government remittances for WorkSafe BC totalling \$18,538 (2023 - \$16,789) and amounts related to payroll taxes of \$55,455 (2023 - \$53,611) and employer health tax of \$3,165 (2023 - \$23,408).

**7. Long-term debt**

Long-term debt consists of the following loans:

	<b>2024</b>	<b>2023</b>
BC Housing - forgivable loan, without interest, forgiven at the rate of 1/25th of the principal amount each year starting in the 11th year after completion, secured by land and building at 46187 Yale Road, Chilliwack	7,107,471	7,107,471
BC Housing - repayable loan, interest at 4.96%-5.66% calculated monthly, to be refinanced upon completion of the building, secured by land and building at 46187 Yale Road, Chilliwack, the balance includes \$580,526 of accrued interest	11,392,336	4,503,470
	<b>18,499,807</b>	<b>11,610,941</b>

These loans will be replaced with a mortgage from Canada Mortgage and Housing Corporation with an interest adjustment date estimated to be in the last quarter of the calendar year. The interest rate for the first 10-year term is 3.82% with a 50 year amortization.

**8. Capital lease obligations**

Capital lease obligations consist of the following leases:

	<b>2024</b>	<b>2023</b>
Valiant Financial Services Inc. - capital lease, interest at 9.45%, secured by 2022 RAM Promaster bus, due November 2025	202,883	-
Less: current portion	(40,454)	-
	<b>162,429</b>	<b>-</b>

The following is a schedule of future minimum lease payments under the capital leases together with the balance of the obligations under capital lease.

	<b>2024</b>
2025	57,904
2026	171,909
2027	-
2028	-
2029	-
Total Minimum lease payments	229,813
Amount representing interest	26,930
Balance of lease obligations	<b>202,883</b>

**9. Deferred contributions related to capital assets**

Deferred contributions related to capital assets represent the unamortized amount and unspent amount of donations and grants received for the purpose of acquiring capital assets. The amortization of deferred contributions is disclosed as a credit to expenses in the statement of operations.

	<b>2024</b>	<i>(Note 17)</i> <b>2023</b>
Balance, beginning of year	1,147,997	288,759
Amount of contributions during the year	460,272	904,614
Amounts amortized to revenue	(54,684)	(45,376)
	<b>1,553,585</b>	<b>1,147,997</b>

**10. Investment in capital assets**

Investment in capital assets is calculated as follows:

	<b>2024</b>	<i>(Note 17)</i> <b>2023</b>
Capital assets	25,513,965	15,318,767
Amounts financed by deferred contributions	(1,553,585)	(1,147,997)
Amounts financed by accounts payable	(614,186)	(936,446)
Amounts financed by debt	(18,499,807)	(11,610,941)
Amounts financed by capital lease	(202,883)	-
	<b>4,643,504</b>	<b>1,623,383</b>

Change in net assets invested in capital assets is calculated as follows:

	<b>2024</b>	<i>(Note 17)</i> <b>2023</b>
Excess (deficiency) of revenue over expenditures:		
Amortization of deferred capital contributions	54,684	45,376
Amortization of capital assets	(83,100)	(77,070)
Gain on disposal of capital assets	38,280	225,300
	<b>9,864</b>	<b>193,606</b>
Net change in investment in capital assets		
Capital assets acquired	10,278,297	11,503,660
Capital accounts payable	322,260	(936,446)
Proceeds from long-term debt	(10,388,866)	(10,203,463)
Capital lease	(202,883)	-
Contributions related to capital assets	(460,272)	(904,615)
Principal repayments on long-term debt	3,500,000	-
Deferred gain on disposal	(38,280)	(225,300)
Net proceeds from disposal of capital assets	-	-
	<b>3,010,256</b>	<b>(766,164)</b>

**11. Commitments**

The Society is committed to payments under operating leases as follows:

2025	Premises 58,120
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The first lease for premises was renewed for a period of 3 months beginning April 1, 2024 and will be expiring on June 30, 2024. A second lease for premises is for a period of 1 year beginning May 31, 2023 will be expiring on May 31, 2024.

In January 2022 the Society entered into a \$22,294,160 contract for the construction of a new residential and commercial building under an agreement with BC Housing to provide affordable housing with construction financing provided by BC Housing. Substantial completion of the building and occupancy occurred on April 15, 2024 (See Note 18).

**12. Related party transactions**

As at March 31, 2024, the Society has term deposit and GIC investments totaling \$477,579 (2023 - \$3,718,395) with an investment firm of which a director of the Society is a senior advisor in the firm. The Society's investments are managed by an independent investment advisor. These investments are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year, the Society paid \$25,177 (2023 - \$22,239) for professional services to a partnership of which a director of the Society is a partner. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year, the Society paid \$62,098 for contracted food services to Chilliwack Bowls of Hope (CBOH), a subsidiary, and invoiced \$16,667 for administrative and management services provided to CBOH. As at March 31, 2024 there is amount of \$16,667 from CBOH included in accounts receivable and \$7,283 owing to CBOH included in accounts payable.

### **13. Internally restricted funds**

In fiscal 2007, the board of directors approved the transfer of \$100,000 of net assets to an internally restricted fund to be used for the acquisition and development of a youth housing project. In fiscal 2018, the transfer of \$700,000 from the sale of a building was also approved by the board to be used for the Paramount Project, a seniors and young adults housing and office project. During the 2019 year the board of directors approved the transfer of an additional amount of \$1,100,000 and another \$225,000 in 2020 and \$225,300 in 2021 from the sale of a building and another \$1,000,000 in 2023 to be used for the Paramount Project. In March 2024, \$3,500,000 was applied to the construction loan to reflect the Society's equity contribution to the project. The Paramount Project is in development with significant capital and facility planning having been completed and construction started during the current fiscal year now that the Society has received confirmation of the funding of the housing portion of the building. The reserve is designated for the office portions of the Paramount facility which the Society is entirely responsible for in terms of its construction and the costs.

The board approved the transfer of \$100,000 in 2021 for a staff training and education fund. During the current year \$3,667 (2023 - \$16,839) was paid from this fund.

In accordance with Board policy, the amounts plus any interest thereon, have been internally restricted until such time as the Board determines their appropriate use.

### **14. Financial risks and concentration of risks**

a) Credit risk:

Credit risk is the risk of economic loss arising from a party's failure to repay or service debt according to contractual terms. Financial instruments that potentially subject the Society to concentrations of credit risk consist of cash and receivables. The Society has deposited cash and restricted cash with reputable financial institutions from which management believes the risk of loss to be remote. The Society has receivables from services performed and grants receivable from various bodies of the Government of Canada and the Province of British Columbia. Management does not believe there is a significant credit risk. The Society monitors, on a regular basis, the credit risk to which the Society is exposed in relation to its financial assets and takes steps to minimize the risk of loss. There has been no change in the risk exposures from 2023.

b) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2023.

c) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets and liabilities, known as price risk.

The Society is exposed to interest cash flow risk with respect to its long-term construction debt owing to BC Housing which bears interest at a floating rate. The Society is exposed to interest price risk on the long-term debt as it will be refinanced in the upcoming fiscal year with a pre-approved 3.82% fixed rate mortgage.



#### **15. Pension plan**

The Society and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2021 the Plan has about 240,549 active members and approximately 123,908 retired members. Active members include approximately 42,000 contributors from local governments.

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 contribution 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available in 2025.

The Society paid \$275,816 (2022 - \$201,213) for employer contributions while the employees contributed \$254,315 (2022 - \$186,198) to the Plan in fiscal 2024.

Employers participating in the Plan record their pension expense as an amount of employer contributions made during the fiscal year (defined contribution pension 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 allocation the obligation, assets and cost to individual employers participating in the Plan.

#### **16. Remuneration of employees**

Remuneration in excess of \$75,000 was paid to seventeen (2023 - ten) individuals ranging from \$77,189 to \$124,216 (2023 - ranging from \$77,160 to \$117,450) for a total of \$1,546,570 (2023 - \$923,429).

#### **17. Correction of an error**

During the year, the Society determined that in 2022, the tangible capital assets and deferred contributions related to capital assets were understated by \$875,619 to reflect the Paramount project development cost charges waived by the City of Chilliwack. For April 1, 2022 there was no impact to net assets.

#### **18. Subsequent events**

On April 15, 2024 the Paramount building entered into use and the construction in progress costs will be transferred to buildings and furniture and amortized over 60 and 10 years respectively.

Completion of the building will require a GST self-assessment analysis to be completed and will result in the remittance of GST on the fair value of the building, net of any public services and municipal rebates and will be funded by the loan facilities. The amount is not reliably measurable since the Society is awaiting municipal status and the fair value appraisal.

On April 15, 2024 a capital lease was entered into for two multi-function printers with monthly payments of \$226 for 60 months.



**19. Non-consolidated subsidiary**

Chilliwack Bowls of Hope Society (CBOH) is incorporated under the Societies Act (British Columbia) and is a registered charity under the Income Tax Act. CBOH is dependent on the Society for board oversight and certain administrative services including finance, human resources, donation receipting and payroll. CBOH is also guided by the strategic plan of the Society and has certain directors in common with the Society. As a result, the Society has significant influence over the operations of CBOH. The financial position and results of operations of CBOH are not consolidated with those of the Society.

Summary financial information is as follows:

	<b>2024</b>
Current assets	891,320
Capital assets	273,760
	<b>1,165,080</b>
Current liabilities	84,584
	84,584
Net assets	1,080,496
	<b>1,165,080</b>
	<b>2024</b>
Revenue	939,379
Expenses	760,666
	<b>178,713</b>

**20. Program and facilities expense details**

	2024	2023
<b>Program expenses</b>		
Advertising	18,060	22,413
Accounting and legal	92,633	73,115
Bad debts	(384)	19,224
Bank charges and interest	10,641	10,094
Computer systems and maintenance	226,031	138,725
Equipment repairs and maintenance	24,324	60,454
Non-recoverable sales tax	35,372	27,274
Membership fees	11,128	9,374
Miscellaneous	46,667	15,066
Program materials and supplies	876,939	587,416
Office supplies	22,360	21,206
Program travel	42,608	13,487
Professional development	79,784	56,537
Subcontracted services ( <i>Note 12</i> )	574,042	823,523
Telephone	59,072	55,025
Travel	47,125	34,947
Volunteer recognition and training	1,218	1,800
Volunteer mileage reimbursement	52,624	46,696
Administration recoveries ( <i>Note 12</i> )	(70,635)	(53,468)
	<b>2,149,609</b>	<b>1,962,908</b>
<b>Facilities expenses</b>		
Insurance	8,006	32,372
Interest on long-term debt	8,401	-
Janitorial and supplies	12,892	15,650
Rent	302,967	223,836
Repairs and maintenance	35,494	31,858
Utilities	104,107	88,090
	<b>471,867</b>	<b>391,806</b>