

RICHMOND CARES, RICHMOND GIVES SOCIETY
FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Richmond Cares, Richmond Gives Society,

I have reviewed the accompanying financial statements of Richmond Cares, Richmond Gives Society, that comprise the statement of financial position as at March 31, 2022, and statement of changes in net assets, the statement of operations, and statement of cash flows for the year then ended, and a summary of significant 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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many charitable organizations, the Richmond Cares, Richmond Gives Society derives a part of its revenue from fundraising and special events, and donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of Richmond Cares, Richmond Gives Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and special events, and donations, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets and net assets as at March 31, 2022 and 2021. My review conclusion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on my review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Richmond Cares, Richmond Gives Society as at March 31, 2022, 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.

Delta, B.C.
June 8, 2022


CHARTERED PROFESSIONAL ACCOUNTANT

RICHMOND CARES, RICHMOND GIVES SOCIETY
STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
As at March 31, 2022

ASSETS		
	<u>2022</u>	<u>2021</u>
CURRENT		
Cash (note 2a)	\$ 499,548	\$ 438,668
Restricted Cash (note 3)	328,486	311,853
Gift cards (note 2a)	1,728	1,728
Amounts receivable	22,870	6,514
Prepaid expenses	14,691	18,485
Goods and Services Tax recoverable	9,326	10,935
TOTAL CURRENT ASSETS	876,649	788,183
CAPITAL ASSETS (notes 2b & 4)	30,719	52,934
TOTAL ASSETS	907,368	841,117
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	44,554	35,774
Client prepayments	11,925	11,957
Deferred revenue (note 5)	757,325	677,202
Deferred capital funding	23,049	45,669
TOTAL CURRENT LIABILITIES	836,853	770,602
NET ASSETS		
INVESTED IN CAPITAL ASSETS	30,719	52,934
NET ASSETS	39,796	17,581
TOTAL NET ASSETS	70,515	70,515
TOTAL LIABILITIES AND NET ASSETS	\$ 907,368	\$ 841,117

Approved by the Directors:

 _____, Director

 _____, Director

See Accompanying Notes to Financial Statements

RICHMOND CARES, RICHMOND GIVES SOCIETY
STATEMENT OF CHANGES IN NET ASSETS

(unaudited)

For the year ended March 31, 2022

NET ASSETS	<u>Invested in Capital assets</u>	<u>Unrestricted</u>	<u>2022 Total</u>	<u>2021 Total</u>
Balance, beginning of year	\$ 52,934	\$ 17,581	\$ 70,515	\$ 66,043
Excess of revenues over expenses	-	29,114	29,114	18,219
Additions of capital assets	6,899	(6,899)	-	-
Amortization of capital assets	(29,114)	-	(29,114)	(13,747)
BALANCE, end of year	\$ 30,719	\$ 39,796	\$ 70,515	\$ 70,515

See Accompanying Notes to Financial Statements

RICHMOND CARES, RICHMOND GIVES SOCIETY
STATEMENT OF OPERATIONS
(unaudited)
FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
	<u>Total</u>	<u>Total</u>
REVENUE		
Ministry of Children and Family Development	\$ 503,592	\$ 457,471
United Way	400,820	448,402
Grants and community funding	276,815	287,779
Government of Canada	9,600	219,815
Donations	231,130	176,662
Vancouver Coastal Health	219,744	115,223
B.C. Gaming Branch grant	88,646	86,310
Fundraising and special events	108,470	62,110
City of Richmond	42,634	42,634
Vancouver Foundation	37,395	28,844
Programs revenue	65,040	40,284
Interest and other income	15,403	12,252
Membership fees	4,835	9,170
	2,004,124	1,986,956
EXPENSES		
Accounting and legal	4,173	3,528
Contract fees	316,907	191,591
Education and training	1,781	2,844
Furniture and equipment replacement	-	5,443
Insurance	7,531	7,668
Office expenses	25,552	23,651
Occupancy expenses	61,361	61,979
Public relations	78,678	64,817
Program expenses	224,778	386,278
Salaries and benefits	1,144,886	1,117,636
Technology support	51,475	47,749
Telecommunications	12,224	8,691
Travel	41,034	43,107
Volunteer Recognition	4,630	3,755
	1,975,010	1,968,737
Excess revenue over expenses from operations	29,114	18,219
Amortization	(29,114)	(13,747)
Excess of revenue over expenses	\$ -	\$ 4,472

See Accompanying Notes to Financial Statements

RICHMOND CARES, RICHMOND GIVES SOCIETY
STATEMENT OF CASH FLOWS
(UNAUDITED)
For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenues	\$ 2,045,239	\$ 2,048,755
Cash paid for operating expenses	(1,960,827)	(1,984,531)
	84,412	64,224
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(6,899)	(43,573)
INCREASE IN CASH	77,513	20,651
CASH AND CASH EQUIVALENTS, beginning of year	752,249	731,598
CASH AND CASH EQUIVALENTS, end of year	\$ 829,762	\$ 752,249
REPRESENTED BY:		
CASH	\$ 499,548	\$ 438,668
RESTRICTED CASH	328,486	311,853
CASH EQUIVALENTS	1,728	1,728
	\$ 829,762	\$ 752,249

See Accompanying Notes to Financial Statements

RICHMOND CARES, RICHMOND GIVES SOCIETY
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2022

1. PURPOSE OF THE SOCIETY

- ◆ The purposes of the Society are:
 - (a) To recruit and place volunteers in any community that may so require.
 - (b) To locate appropriate placements in community service agencies for any member of the community according to their desires and abilities.
 - (c) To promote the use of volunteers and volunteerism in general.
 - (d) To study and research problems of volunteers and any group using volunteers and to consider how these problems may be resolved.
 - (e) To work co-operatively with other community groups, agencies, organizations having similar objectives and which in any way can contribute to the objective of the Society.
 - (f) The operations of the Society are to be chiefly carried on in the Municipality of Richmond in the Province of British Columbia.

- ◆ The Society was incorporated under the Society Act of British Columbia as a not-for-profit organization on April 1, 1977 and is a registered charity under the Income Tax Act, and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Society must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a. Cash and cash equivalents

Cash and cash equivalents is comprised of cash on hand, bank accounts and gift cards that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Capital assets

Capital assets are recorded at cost. The cost for contributed capital assets is considered to be fair value at the date of contribution.

Amortization is provided using the following methods at rates intended to amortize the cost of assets over their estimated useful lives.

Computer equipment	Straight-line basis over three years
Furniture and Equipment	Straight-line basis over ten years
Website	Straight-line basis over two years

RICHMOND CARES, RICHMOND GIVES SOCIETY
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Revenue recognition

The Society follows the deferral method of accounting for contributions.

Government grants received as operating grants are recognized in the period they are received or in the period designated by the donor. Government grants received as capital grants are deferred and amortized over the period that the corresponding assets are amortized. Deferred revenue represents funds not yet paid out for capital expenses or represent funds not yet expended.

All membership fees, user fees, donations and miscellaneous revenue are recognized in the period for which they are received unless specifically allocated to future expenditures and therefore deferred until the associated expense occurs.

Interest income is recognized when earned.

d. Use of estimates

When preparing financial statements according to ASNPO, the Society makes estimates and assumptions relating to:

- Useful life of capital assets; and
- Accrued liability

Management's assumptions are based on a number of factors, including historical experience, current events, actions that the Society may undertake in future, and other assumptions believed reasonable under the circumstances. These estimates are periodically reviewed and, accordingly, adjustments made to these estimates are taken into income in the year in which it is determined. These estimates are subject to measurement uncertainty, and actual results may therefore differ from those estimates.

3. RESTRICTED CASH

These funds are from Gaming grants and held in an account outside of general operating funds. These funds are to be disbursed based on guidelines provided by the Province of British Columbia Gaming Branch.

Restricted cash also includes the Christmas fund. Donations are received specifically for the Christmas fund and every Christmas season, the Society distributes grocery vouchers to individuals and families in need out of this fund.

The following is the the breakdown of restricted cash:

	<u>2022</u>	<u>2021</u>
BC Gaming funds	\$ 87,545	\$ 87,975
Richmond Christmas funds	<u>240,941</u>	<u>223,878</u>
	<u>\$ 328,486</u>	<u>\$ 311,853</u>

RICHMOND CARES, RICHMOND GIVES SOCIETY
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4. CAPITAL ASSETS

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computers	\$ 53,845	\$ (44,316)	\$ 48,714	\$ (31,375)
Office Equipment	20,566	(14,566)	18,798	(13,584)
Website	<u>30,381</u>	<u>(15,191)</u>	<u>100,339</u>	<u>(69,958)</u>
	<u>\$ 104,792</u>	<u>\$ (74,073)</u>	<u>\$ 167,851</u>	<u>\$ (114,917)</u>
Net book value		<u>\$ 30,719</u>		<u>\$ 52,934</u>

5. DEFERRED REVENUE

Revenues received from contributors, donors and special events where their use is for specific operating purposes. Recognition of these amounts as revenue is deferred to periods when the specific expenditures are made. Changes in the balance are as follows:

	Beginning <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending <u>Balance</u>
Christmas fund	223,878	61,013	43,950	240,941
Program and Events Revenue	365,349	890,960	827,470	428,839
Gaming funds	<u>87,975</u>	<u>91,049</u>	<u>91,479</u>	<u>87,545</u>
	<u>\$ 677,202</u>	<u>\$ 1,043,022</u>	<u>\$ 962,899</u>	<u>\$ 757,325</u>

6. REMUNERATION

As part of the disclosure requirements of the B.C. Societies Act, the Society reports two employees who earned in excess of \$75,000. Total remuneration (which includes wages and taxable benefits) for the calendar year 2021 was \$204,186 (2020 - \$192,278)

7. ECONOMIC DEPENDENCE

The Society is economically dependent on government funding and other non-government grants to provide sufficient funds to continue operations, and replace essential equipment. The following are the percentages over total revenue:

	<u>2022</u>	<u>2021</u>
Federal	2.19%	11.06%
Provincial	43.74%	55.73%
Municipal	2.13%	2.15%
Non-government	<u>28.05%</u>	<u>15.94%</u>
Percentage of total revenue	<u>76.11%</u>	<u>84.88%</u>

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8. COMMITMENTS

Commencing February 2022 the Society entered into a 48 month contract with Automation One Business Systems Inc. for a photocopier equipment and service agreement. The monthly payments are \$375 plus taxes.

Commencing September 1, 2021 the Society entered into a 5 year lease with Richmond Caring Place Society to August 31, 2026 for its administration office located at 190/280/325 - 7000 Minoru Boulevard Richmond, BC. The monthly lease payments are \$4,709.

Commencing February 5, 2020, the Society entered into a 48 month lease with Applewood Motors Richmond Inc. for a vehicle. The monthly payments are \$490. On February 6, 2020, the Society signed a memorandum of understanding (MOU) with the Rotary Club of Steveston (Rotary) stating that Rotary will reimburse the Society the cost of the lease payments and the Society will be responsible for the payment of proper business use insurance, maintenance, gas, parking costs, and other related costs. The MOU is in effect until the lease expires.

9. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of accounts receivable, and payables. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant credit, interest rate, or liquidity risks arising from these financial instruments.

The Society is exposed to financial risk that arises from the fluctuation in interest rates, in currency exchange rates, and in the credit quality of its clients.

Credit risk

The Society's credit risk consists principally of cash and cash equivalents, and accounts receivable. The Society maintains cash and cash equivalents with reputable and major financial institutions. Management considers the risk of non-performance of these instruments to be remote.

There is no client comprising a majority of receivables. There is no particular concentration of credit risk.

Interest rate risk

The Society is exposed to interest rate risk with respect to the following financial instruments: cash and cash equivalents in interest bearing accounts. Changes in interest rates can affect the fair value of investments and the cash flows related to interest income and expense.

Liquidity risk

The Organization is exposed to liquidity risk in meeting its obligations associated with financial liabilities, which is dependent on receipt of funds from clients and grant providers.