

RICHMOND CARES, RICHMOND GIVES SOCIETY
FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2019

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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, 2019, 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 revenue 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 revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at January 1 and December 31 for both the 2019 and 2018 years. Our review conclusion on the financial statement for the year ended March 31, 2019 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 of Richmond Cares, Richmond Gives Society are not prepared, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Delta, B.C.
June 4, 2019

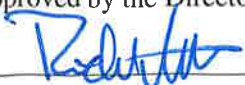


CHARTERED PROFESSIONAL ACCOUNTANT

RICHMOND CARES, RICHMOND GIVES SOCIETY
STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
As at March 31, 2019

	ASSETS	
	<u>2019</u>	<u>2018</u>
CURRENT		
Cash (note 2a)	\$ 369,538	\$ 302,306
Restricted Cash (note 3)	81,239	36,003
Cash equivalents (note 2a)	4,032	3,991
Prepaid expenses	12,051	6,286
Goods and Services Tax recoverable	6,633	1,196
CAPITAL ASSETS (notes 2b & 4)	3,500	6,582
TOTAL ASSETS	\$ 476,993	\$ 356,364
	LIABILITIES	
CURRENT		
Accounts payable and accrued liabilities	\$ 32,330	\$ 32,738
Client prepayments	8,838	9,327
Deferred revenue (note 5)	371,806	253,046
TOTAL CURRENT LIABILITIES	412,974	295,111
	NET ASSETS	
INVESTED IN CAPITAL ASSETS	3,500	6,582
NET ASSETS	60,519	54,671
TOTAL NET ASSETS	64,019	61,253
TOTAL LIABILITIES AND NET ASSETS	\$ 476,993	\$ 356,364

Approved by the Directors:

 _____, Director

 _____, Director

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

(unaudited)

For the year ended March 31, 2019

NET ASSETS	<u>Invested in Capital assets</u>	<u>Unrestricted</u>	<u>2019 Total</u>	<u>2018 Total</u>
Balance, beginning of year	\$ 6,582	\$ 54,671	\$ 61,253	\$ 69,142
Excess (deficiency) of revenues over expenses	-	5,848	5,848	(4,172)
Amortization of capital assets	(3,082)	-	(3,082)	(3,717)
Balance, end of year	\$ 3,500	\$ 60,519	\$ 64,019	\$ 61,253

RICHMOND CARES, RICHMOND GIVES SOCIETY
STATEMENT OF OPERATIONS
(unaudited)
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
	<u>Total</u>	<u>Total</u>
Revenue		
United Way	\$ 313,207	\$ 310,859
Ministry of Children and Family Development	304,645	299,447
Donations	191,022	214,044
Grants and community funding	84,962	75,546
Programs revenue	81,990	98,919
Fundraising and special events	81,937	66,045
City of Richmond	39,723	41,473
Vancouver Coastal Health	75,000	83,000
B.C. Gaming Branch grant	71,145	53,388
Vancouver Foundation	22,720	26,845
Membership fees	10,750	9,690
Government of Canada	7,429	24,360
Interest and other income	9,153	11,739
	1,293,683	1,315,355
EXPENSES		
Accounting and legal	7,028	10,806
Contract fees	121,250	113,655
Education and training	774	1,349
Insurance	6,272	6,779
Office expenses	26,995	26,603
Occupancy expenses	46,786	46,305
Public relations	35,397	31,457
Program expenses	135,215	117,919
Salaries and benefits (note 6)	824,781	873,838
Technology support	38,443	42,138
Telecommunications	10,921	12,135
Travel	32,487	35,288
Volunteer Recognition	1,486	1,255
	\$ 1,287,835	\$ 1,319,527
Excess (deficiency) of revenue over expenses from operations	5,848	(4,172)
Amortization	(3,082)	(3,717)
Excess (deficiency) of revenue over expenses	\$ 2,766	\$ (7,889)

See accompanying Notes to Financial Statements

RICHMOND CARES, RICHMOND GIVES SOCIETY
STATEMENT OF CASH FLOWS
(UNAUDITED)
For the year ended March 31, 2019

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenues	1,293,685	1,315,354
Cash paid for operating expenses	(1,299,447)	(1,315,834)
	(5,762)	(480)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in deferred revenue	73,035	(51,553)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	-	(5,533)
INCREASE (DECREASE) IN CASH	67,273	(57,566)
CASH AND CASH EQUIVALENTS, beginning of year	306,297	363,863
CASH AND CASH EQUIVALENTS, end of year	\$ 373,570	\$ 306,297
REPRESENTED BY:		
CASH	\$ 369,538	\$ 302,306
CASH EQUIVALENTS	4,032	3,991
	\$ 373,570	\$ 306,297

RICHMOND CARES, RICHMOND GIVES SOCIETY
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2019

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 volunteer 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 certificates 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 three years
Website	Straight-line basis over two years

RICHMOND CARES, RICHMOND GIVES SOCIETY
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2019

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 received in excess of contracted amounts.

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:

- Reported amounts of revenue and expenses;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities.

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. Estimates are used when accounting for certain items, such as useful lives of capital assets.

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.

RICHMOND CARES, RICHMOND GIVES SOCIETY
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2019

4. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2019</u>	<u>Net 2018</u>
Computers	44,426	42,582	1,844	4,508
Office Equipment	14,431	12,775	1,656	2,074
Website	69,958	69,958	-	-
	<u>\$ 128,815</u>	<u>\$ 125,315</u>	<u>\$ 3,500</u>	<u>\$ 6,582</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:

	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
Program and Events Revenue	217,043	603,928	530,405	290,566
Gaming funds	<u>36,003</u>	<u>116,382</u>	<u>71,145</u>	<u>81,240</u>
	<u>\$ 253,046</u>	<u>\$ 720,310</u>	<u>\$ 601,550</u>	<u>\$ 371,806</u>

6. REMUNERATION

As part of the disclosure requirements of the B.C. Societies Act, the society reports they had two employee who earned in excess of \$75,000. Total remuneration (which includes wages and taxable benefits) for the calendar year 2018 was \$179,054

7. COMMITMENTS

Commencing September 1, 2017 the Society entered into a 2 year lease with Richmond Caring Place Society to August 31, 2019 for its administration office located at 190/325 - 7000 Minoru Boulevard Richmond, BC. These monthly lease payments are \$4,470. A portion of this office space is sublet to the Richmond Society for Community Living to August 31, 2019, rent received for the space is \$725 per month.

Commencing March 1, 2018 the Society entered into a 48 month contract with Meridian OneCap Credit Corp. for a photocopier equipment and service agreement. The monthly payments are \$363.

RICHMOND CARES, RICHMOND GIVES SOCIETY
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2019

8. ECONOMIC DEPENDENCE

The Society is economically dependent on government funding and grants, to provide sufficient funds to continue operations, and replace essential equipment.

9. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of accounts receivable, short-term investments, payables, and long-term debt. 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, short-term and other investments, 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, investments in interest bearing securities, and mortgage payable. 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.

10. COMPARATIVE FIGURES

Prior year's figures were audited by another accounting firm. Certain comparative figures have been reclassified to conform with current year presentation.