

RICHMOND FAMILY PLACE SOCIETY
FINANCIAL STATEMENTS

March 31, 2018

INDEX

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2 - 3
Statement of Operations and Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

INDEPENDENT AUDITOR'S REPORT

To the Directors of Richmond Family Place Society

Report on the Financial Statements

I have audited the accompanying financial statements of Richmond Family Place Society, which comprise the statement of financial position as at March 31, 2018, statement of changes in net assets, the statement of operations, schedule of operations, and the 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, Richmond Family Place Society derives a part of its revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of Richmond Family Place Society, and I was not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Richmond Family Place Society as at March 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations

Other Matters

The financial statements of Richmond Family Place Society for the year ended March 31, 2017 were audited by another auditor who expressed a qualified opinion on those financial statements on March 31, 2017 for the reasons described in the Basis for Qualified Opinion paragraph.

Report on Other Legal and Regulatory Requirements

As required by the BC Societies Act, I report that, in my opinion, the accounting principles Canadian accounting standards for not-for-profits organizations have been applied on a basis consistent with that of the preceding year.



Cran & Company
Chartered Professional Accountant
Delta, BC
September 13, 2018

RICHMOND FAMILY PLACE SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

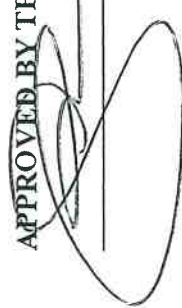
	Operating <u>Fund</u>	Restricted <u>Fund</u>	2018 <u>Total</u>	2017 <u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash	\$ 267,643	\$ 93,911	\$ 361,554	\$ 276,776
Term deposit (note 3)	16,478	-	16,478	16,340
Prepaid expenses	5,520	-	5,520	5,569
Accounts receivable (note 4)	62,529	-	62,529	89,379
GST refundable	2,759	-	2,759	1,199
Due from (to) other fund	(23,260)	23,260	-	-
TOTAL CURRENT ASSETS	331,669	117,171	448,840	389,263
CAPITAL ASSETS (notes 1c, 5)	9,946	-	9,946	5,640
TOTAL ASSETS	\$ 341,615	\$ 117,171	\$ 458,786	\$ 394,903

See accompanying Notes to Financial Statements

RICHMOND FAMILY PLACE SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	Operating <u>Fund</u>	Restricted <u>Fund</u>	2018 <u>Total</u>	2017 <u>Total</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 33,446	\$ -	\$ 33,446	\$ 37,346
Payroll liabilities	23,135	-	23,135	22,305
Deferred revenue (note 6)	92,447	117,171	209,618	187,157
PST payable	548	-	548	-
TOTAL CURRENT LIABILITIES	149,576	117,171	266,747	246,808
NET ASSETS				
Invested in capital assets	9,946	-	9,946	5,640
Unrestricted	182,093	-	182,093	142,455
TOTAL NET ASSETS	192,039	-	192,039	148,095
TOTAL LIABILITIES AND NET ASSETS	\$ 341,615	\$ 117,171	\$ 458,786	\$ 394,903

APPROVED BY THE DIRECTORS:

 Director
 Director

RICHMOND FAMILY PLACE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
 For the year ended March 31, 2018

	<u>2018</u>	<u>2018</u>	<u>2018</u>	<u>2018</u>	<u>2017</u>
NET ASSETS	<u>Invested in Capital Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 5,640	\$ -	\$ 142,455	\$ 148,095	\$ 123,478
(Deficiency) excess of revenues over expenses	(4,257)	-	48,201	43,944	24,617
Acquisition of tangible capital assets	8,563	-	(8,563)	-	-
Balance, end of year	\$ 9,946	\$ -	\$ 182,093	\$ 192,039	\$ 148,095

See accompanying Notes to Financial Statements

**RICHMONT FAMILY PLACE SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018**

	<u>Operating Fund</u>	<u>Restricted Fund</u>	<u>2018 Total</u>	<u>2017 Total</u>
Revenue				
M.C.F.D. Provincial funding	\$ 185,994	\$ -	\$ 185,994	\$ 157,016
United Way	168,413	-	168,413	168,525
I.R.C.C. Federal funding	150,593	-	150,593	123,956
Vancouver Coastal Health	67,080	-	67,080	76,394
Richmond Children First Initiative	-	60,732	60,732	51,841
Gaming Revenue	54,160	-	54,160	54,000
Community Action Initiative	36,121	-	36,121	54,305
City of Richmond	33,125	-	33,125	25,294
Other grants	25,810	-	25,810	26,949
Donations and fundraising	30,252	-	30,252	34,814
Other revenue (note 7)	44,464	-	44,464	50,866
Interest	214	18	232	217
Total Revenue	796,226	60,750	856,976	824,177
Expenses				
Amortization	\$ 4,257	\$ -	\$ 4,257	\$ 4,029
Advertising and promotion	12,895	1,093	13,988	20,077
Consulting and contractor fees	41,298	13,825	55,123	18,736
Insurance	15,758	-	15,758	12,500
Professional Development	9,670	2,859	12,529	19,557
Office expenses	25,441	4,018	29,459	16,123
Professional fees	27,383	-	27,383	21,228
Repairs and maintenance	16,368	-	16,368	16,240
Program expenses	133,742	38,955	172,697	133,248
Telephone and utilities	13,080	-	13,080	15,092
Wages and benefits	452,390	-	452,390	522,730
Total Expenses	\$ 752,282	\$ 60,750	\$ 813,032	\$ 799,560
Excess of revenue over expenses	\$ 43,944	-	\$ 43,944	\$ 24,617

**RICHMOND FAMILY PLACE SOCIETY
STATEMENT OF CASH FLOWS
MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from Provincial and Municipal funders	\$ 127,055	\$ 85,185
Received from Federal Government	336,587	280,972
Received from other sources	420,183	441,516
Cash paid for expenses	(812,807)	(755,208)
	71,018	52,465
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in deferred revenue	22,461	14,329
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(8,563)	(1,471)
INCREASE IN CASH	84,916	65,323
CASH AND CASH EQUIVALENTS, beginning of year	293,116	227,793
CASH AND CASH EQUIVALENTS, end of year	\$ 378,032	\$ 293,116
REPRESENTED BY:		
CASH		
General Fund	\$ 361,554	\$ 276,776
Term deposit	16,478	16,340
	\$ 378,032	\$ 293,116

RICHMOND FAMILY PLACE SOCIETY
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

1. PURPOSE OF THE SOCIETY

The stated objectives of Richmond Family Place Society ("the Society") are as follows:

The purpose of the Society is supporting children and families of the community by

- A. enhancing the interaction between parent and child
- B. giving pre-school children a healthy start in life
- C. providing an informal, safe, supportive environment where pre-school children and their parents or caregivers can meet and interact with each other
- D. providing information and referral services for family life support
- E. planning and implementing specific programs that will meet identified needs of families in the community

The Society is incorporated under the Society Act of British Columbia as a not-for-profit organization 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Cash and Cash Equivalents

Cash consists of cash on deposit with banks and highly liquid short term interest bearing securities with maturities of three months or less.

C. 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.

Computers	Straight-line basis over 2 years
Furniture, fixtures and equipment	Straight-line basis over 5 years
Leasehold improvements	Straight-line basis over 5 years

RICHMOND FAMILY PLACE SOCIETY
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. 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.

Donations are recognized on a cash basis rather than on an accrual basis.

Investment income is recognized as income when earned.

E. Donated Goods and Services

The Society benefits from donated supplies and services, however gifts and services in-kind are not recognized in the financial statements unless resold through the Society's thrift store. When a fair value can be determined for donated supplies, an income tax receipt is issued to the donor.

The City of Richmond provides the society with a space to operate for a fee of \$1 per annum. The fair value of this contribution is \$48,000 per annum. The amount is not recognized in the financial statements.

F. Use of Estimates

The preparation of financial statements in accordance 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 reporting date and the reported amounts of receipts and disbursements for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are as follows: amount of accrued liabilities, and the useful life of capital assets. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations and changes in fund balances in the year they become known.

G. Term Deposits

Term deposit are recorded at their cost plus accrued interest.

H. Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Society, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors.

**RICHMOND FAMILY PLACE SOCIETY
NOTES TO FINANCIAL STATEMENTS
March 31, 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. Fund Accounting - continued

Two funds are maintained - Operating fund and Restricted Fund.

The Operating fund reports the program activities of the Society.

The Restricted Fund is used to account for the Richmond Children First Initiative (RCFI), which is an initiative started by Ministry of Children and Family Development (MCFD) and is aimed at working with the community to develop a continuum of services and access to those services for children up to the age of 6. The Richmond Family Place (RFP) is the host agency which provides financial accountability and administrative support related to contracts and grants received from government and not-for-profit organizations for the RCFI programs.

3. TERM DEPOSIT

The term deposit is held at Coast Capital Savings. The investment is a highly liquid term deposit that is readily convertible to cash.

	<u>2018</u>	<u>2017</u>
1 year redeemable term deposit maturing June 16, 2018, yielding 0.75% interest per annum	<u>16,478</u>	<u>16,340</u>

4. ACCOUNTS RECEIVABLE

Consist of a receivable from the Federal Government for Immigration, Refugees and Canadian Citizens (IRCC) funding for the last quarter of this fiscal year.

5. CAPITAL ASSETS

	<u>2018</u>		<u>2017</u>	
<u>Cost</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Cost</u>	<u>Accumulated</u> <u>Amortization</u>	
Computers	39,017	29,437	30,454	26,489
Furniture, fixtures and equipment	23,686	23,320	23,686	22,426
Leasehold improvements	4,155	4,155	4,155	3,740
	<u>\$ 66,858</u>	<u>\$ 56,912</u>	<u>\$ 58,295</u>	<u>\$ 52,655</u>
		<u>2018</u>		<u>2017</u>
Net Book Value	<u>\$ 9,946</u>		<u>\$ 5,640</u>	

RICHMOND FAMILY PLACE SOCIETY
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

6. DEFERRED REVENUE

Deferred revenues are revenues received from contributors who have restricted their use for specific operating purposes. Recognition of these amounts as revenue is deferred to periods when the specific expenditures are made. Changes in the deferred revenue balance are as follows:

	<u>2018</u>	<u>2017</u>
RCFI Balance, beginning of the year	\$ 75,361	\$ 87,534
Grants deferred during the year	103,322	39,644
Contributions recognized	<u>(61,512)</u>	<u>(51,817)</u>
RCFI Balance, end of the year	\$ <u>117,171</u>	\$ <u>75,361</u>
RFP Balance, beginning of the year	\$ 111,796	\$ 85,294
Grants deferred during the year	86,854	738,016
Contributions recognized	<u>(106,203)</u>	<u>(711,514)</u>
RFP Balance, end of the year	<u>92,447</u>	<u>111,796</u>
Total deferred revenue	\$ <u>209,618</u>	\$ <u>187,157</u>

7. OTHER REVENUE

Consists of:

	<u>2018</u>	<u>2017</u>
Thrift Store	\$ 34,361	\$ 34,663
Drop in fees	4,063	5,617
Program Revenue	-	576
Birthday Parties	2,850	2,410
Membership fees	3,190	3,500
Administration services	<u>-</u>	<u>4,100</u>
	<u>\$ 44,464</u>	<u>50,866</u>

8. LINE OF CREDIT

The Society has an authorized line of credit at Coast Capital Savings of \$15,000, bearing interest at 4.45%. As of March 31, 2018 the line of credit was not being utilized.

RICHMOND FAMILY PLACE SOCIETY
NOTES TO FINANCIAL STATEMENTS
March 31, 2018

9. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. These risks include credit risk, investment risk, interest rate risk, and liquidity risk. The following analysis presents the Society's exposure to significant risk at March 31, 2018.

The Society does not use any derivative financial instruments to mitigate these risks.

Credit risk

The Society is exposed to credit risk with respect to the amounts receivable and term deposits. These amounts receivable were received soon after the year end and term deposits are invested with large financial institutions

Interest rate risk

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

Liquidity risk

Liquidity risk exposure is dependent on the receipt of funds from government grants, and other sources of income to enable the Society to pay its liabilities as they become due.

10. ECONOMIC DEPENDENCE

The Society is economically dependent on government funding and independent grants, which represent 91.2% (2017 - 89.6%) of the total revenue.

11. COMMITMENTS

In January 2014 the Society entered into a 60 month rental contract for a Kyocera photocopier with De Lage Financial Services Canada Inc. Payments of \$375 are due quarterly with the final payment due January 1, 2019

12. CAPITAL MANAGEMENT

The Society's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide services to the community.

The Society sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.