

RICHMOND CARES, RICHMOND GIVES SOCIETY

FINANCIAL STATEMENTS

(UNAUDITED)

March 31, 2020

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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, 2020, 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, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 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 11, 2020



CHARTERED PROFESSIONAL ACCOUNTANT

RICHMOND CARES, RICHMOND GIVES SOCIETY
STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
As at March 31, 2020

ASSETS			
		<u>2020</u>	<u>2019</u>
CURRENT			
Cash (note 2a)	\$	639,884	\$ 369,538
Restricted Cash (note 3)		86,243	81,239
Cash equivalents (note 2a)		5,472	4,032
Amounts receivable		17,983	-
Prepaid expenses		12,199	12,051
Goods and Services Tax recoverable		9,427	6,633
TOTAL CURRENT ASSETS		771,208	473,493
CAPITAL ASSETS (notes 2b & 4)		23,108	3,500
TOTAL ASSETS		794,316	476,993
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		43,776	32,330
Client prepayments		13,090	8,838
Deferred revenue (note 5 & 6)		649,666	371,806
Deferred capital funding		21,741	-
TOTAL CURRENT LIABILITIES		728,273	412,974
NET ASSETS			
INVESTED IN CAPITAL ASSETS		23,108	3,500
NET ASSETS		42,935	60,519
TOTAL NET ASSETS		66,043	64,019
TOTAL LIABILITIES AND NET ASSETS		\$ 794,316	\$ 476,993

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, 2020

NET ASSETS	<u>Invested in Capital assets</u>	<u>Unrestricted</u>	<u>2020 Total</u>	<u>2019 Total</u>
Balance, beginning of year	\$ 3,500	\$ 60,519	\$ 64,019	\$ 61,253
Excess of revenues over expenses	-	12,618	12,618	5,848
Additions of capital assets	30,802	(30,802)	-	-
Amortization of capital assets	(10,846)	-	(10,846)	(3,082)
Disposition of capital assets	(348)	600	252	-
BALANCE, end of year	\$ 23,108	\$ 42,935	\$ 66,043	\$ 64,019

See Accompanying Notes to Financial Statements

RICHMOND CARES, RICHMOND GIVES SOCIETY
STATEMENT OF OPERATIONS
(unaudited)
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
	Total	Total
REVENUE		
Ministry of Children and Family Development	\$ 403,474	\$ 304,645
United Way	294,100	313,207
Donations	203,709	191,022
Grants and community funding	197,149	84,962
Government of Canada	162,070	7,429
Fundraising and special events	106,054	81,937
Vancouver Coastal Health	90,057	75,000
B.C. Gaming Branch grant	85,522	71,145
Programs revenue	56,301	81,990
City of Richmond	44,798	39,723
Vancouver Foundation	29,609	22,720
Interest and other income	10,862	9,153
Membership fees	10,445	10,750
	1,694,150	1,293,683
EXPENSES		
Accounting and legal	5,603	7,028
Contract fees	199,474	121,250
Education and training	2,667	774
Furniture and equipment replacement	-	916
Insurance	4,516	6,272
Office expenses	29,368	26,079
Occupancy expenses	53,701	46,786
Public relations	69,124	35,397
Program expenses	281,603	135,215
Salaries and benefits (note 7)	933,924	824,781
Technology support	49,951	38,443
Telecommunications	12,125	10,921
Travel	36,519	32,487
Volunteer Recognition	2,957	1,486
	1,681,532	1,287,835
Excess of revenue over expenses from operations	12,618	5,848
Amortization	(10,846)	(3,082)
Gain on sale of assets	252	-
Excess of revenue over expenses	\$ 2,024	\$ 2,766

See Accompanying Notes to Financial Statements

RICHMOND CARES, RICHMOND GIVES SOCIETY
STATEMENT OF CASH FLOWS
(UNAUDITED)
For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenues	\$ 1,975,016	\$ 1,366,720
Cash paid for operating expenses	(1,673,028)	(1,299,447)
	301,988	67,273
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(30,802)	-
Proceeds on disposal of capital assets	600	-
	(30,202)	-
INCREASE IN CASH	271,786	67,273
CASH AND CASH EQUIVALENTS, beginning of year	373,570	306,297
CASH AND CASH EQUIVALENTS, end of year	\$ 645,356	\$ 373,570
REPRESENTED BY:		
CASH	\$ 639,884	\$ 369,538
CASH EQUIVALENTS	5,472	4,032
	\$ 645,356	\$ 373,570

See Accompanying Notes to Financial Statements

RICHMOND CARES, RICHMOND GIVES SOCIETY
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2020

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 ten years
Website	Straight-line basis over two years

RICHMOND CARES, RICHMOND GIVES SOCIETY
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2020

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:

- 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.

RICHMOND CARES, RICHMOND GIVES SOCIETY
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2020

4. CAPITAL ASSETS

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computers	\$ 65,641	\$ (48,552)	\$ 44,426	\$ (42,582)
Office Equipment	19,600	(13,581)	14,431	(12,775)
Website	<u>69,958</u>	<u>(69,958)</u>	<u>69,958</u>	<u>(69,958)</u>
	<u>\$ 155,199</u>	<u>\$ (132,091)</u>	<u>\$ 128,815</u>	<u>\$ (125,315)</u>
Net book value	<u>\$ 23,108</u>		<u>\$ 3,500</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>
Program and Events Revenue (note 6)	290,567	1,402,869	1,130,012	563,424
Gaming funds	<u>81,239</u>	<u>90,525</u>	<u>85,522</u>	<u>86,242</u>
	<u>\$ 371,806</u>	<u>\$ 1,493,394</u>	<u>\$ 1,215,534</u>	<u>\$ 649,666</u>

6. COVID-19

On March 29, 2020, the Society received additional one time funding from United Way for the Safe Seniors, Strong Communities program as a response to the pandemic. The additional funding is reflected in the deferred revenue.

7. 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 2019 was \$188,533

8. ECONOMIC DEPENDENCE

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

RICHMOND CARES, RICHMOND GIVES SOCIETY
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2020

9. COMMITMENTS

Commencing September 1, 2019 the Society entered into a 2 year lease with Richmond Caring Place Society to August 31, 2021 for its administration office located at 151/190/325 - 7000 Minoru Boulevard Richmond, BC. The monthly lease payments are \$4,530. A portion of this office space is sublet to the Richmond Society for Community Living (RSCL) to August 31, 2020, rent received for the space is \$735 per month. On January 1, 2020, RSCL had leased the second floor of the sublet space back to the Society for \$850 per month until August 31, 2020.

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.

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 the 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.

10. 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, 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

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.