

**BC ASSOCIATION OF
COMMUNITY RESPONSE
NETWORKS**

**FINANCIAL STATEMENTS
March 31, 2019**

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

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March 31, 2019

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BC Association of Community Response Networks, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, statement of changes in fund balances and statement of 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 BC Association of Community Response Networks as at March 31, 2019, and its financial performance 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 BC Association of Community Response Networks 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 ASPNOs, 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 BC Association of Community Response Networks' 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 BC Association of Community Response Networks or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the BC Association of Community Response Networks's financial reporting process.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

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 Association'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 Association'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 Association 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, these principles have been applied on a consistent basis.

A handwritten signature in black ink that reads 'Reid Hurst Nagy Inc.' in a cursive script.

REID HURST NAGY INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER, BC
May 31, 2019

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

STATEMENT OF FINANCIAL POSITION

As at March 31, 2019

	Operating Fund	Externally Restricted Funds	Total 2019	Total 2018
	\$	\$	\$	\$
ASSETS				
Cash and restricted cash	100,467	975,924	1,076,391	266,786
Investments (Note 3)	54,168	-	54,168	671,910
Accounts receivable	63,793	1,166,000	1,229,793	37,009
Prepaid expenses	-	21,340	21,340	3,400
Interfund receivable	25,098	-	25,098	9,968
	243,526	2,163,264	2,406,790	989,073
LIABILITIES				
Accounts payable and accrual liabilities	1,200	134,381	135,581	113,748
Funds held for local Community Response Networks	29,995	-	29,995	16,244
Funds held for Council to Reduce Elder Abuse	60,000	-	60,000	-
Deferred revenue (Note 4)	-	2,003,785	2,003,785	716,372
Interfund payable	-	25,098	25,098	9,968
	91,195	2,163,264	2,254,459	856,332
FUND BALANCES				
Unrestricted	152,331	-	152,331	132,741
	243,526	2,163,264	2,406,790	989,073

Approved on behalf of the Board of Directors

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements.

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

STATEMENT OF FINANCIAL POSITION – EXTERNALLY RESTRICTED FUNDS

As at March 31, 2019

	Gaming Fund	Ministry of Health	Ministry of Health CREA	Total 2019	Total 2018
	\$	\$	\$	\$	\$
ASSETS					
Cash and restricted cash	129,853	783,701	62,370	975,924	141,131
Investments	-	-	-	-	658,548
Accounts receivable	-	1,166,000	-	1,166,000	37,009
Prepaid expenses	-	21,340	-	21,340	3,400
	129,853	1,971,041	62,370	2,163,264	840,088
LIABILITIES					
Accounts payable and accrual liabilities	-	134,381	-	134,381	113,748
Deferred revenue (Note 4)	104,755	1,836,660	62,370	2,003,785	716,372
Interfund payable	25,098	-	-	25,098	9,968
	129,853	1,971,041	62,370	2,163,264	840,088
FUND BALANCES					
Externally restricted	-	-	-	-	-
	129,853	1,971,041	62,370	2,163,264	840,088

The accompanying notes are an integral part of these financial statements.

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

STATEMENT OF OPERATIONS

For the year ended March 31, 2019

	Operating Fund		Externally Restricted Fund		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
REVENUE						
Donation	2,000	613	-	-	2,000	613
Grants and contribution	-	-	1,128,587	1,117,891	1,128,587	1,117,891
Interest income	25,123	6,919	2,655	1,761	27,778	8,680
	27,123	7,532	1,131,242	1,119,652	1,158,365	1,127,184
EXPENSES						
Administrative and program support	3,785	-	157,911	142,921	161,696	142,921
BC CRN programs	-	-	23,529	29,566	23,529	29,566
CREA grants paid	-	-	21,884	8,417	21,884	8,417
Conferences and staff meetings	316	-	72,847	61,881	73,163	61,881
Consulting	-	-	11,803	23,776	11,803	23,776
Education and awareness materials	-	-	45,890	47,306	45,890	47,306
Executive director fee	-	-	97,866	95,940	97,866	95,940
Funds for local CRN	2,000	-	255,830	193,891	257,830	193,891
Interest and bank charges	460	422	-	-	460	422
Mentor outreach and support	587	-	351,392	355,599	351,979	355,599
Mentor travel	376	-	60,048	134,273	60,424	134,273
Office	9	-	13,510	8,116	13,519	8,116
Professional fees	-	-	18,220	17,846	18,220	17,846
Provincial website	-	-	512	120	512	120
	7,533	422	1,131,242	1,119,652	1,138,775	1,120,074
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	19,590	7,110	-	-	19,590	7,110

The accompanying notes are an integral part of these financial statements.

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

STATEMENT OF OPERATIONS – EXTERNALLY RESTRICTED FUNDS

For the year ended March 31, 2019

	Gaming Fund		Ministry of Health	
	2019	2018	2019	2018
	\$	\$	\$	\$
REVENUE				
Gaming Grant	180,295	173,943	-	-
Interest income	2,655	1,761	-	-
Ministry of Health Grants	-	-	926,408	935,531
	182,950	175,704	926,408	935,531
EXPENSES				
Administrative and program support	2,247	13,354	155,664	129,567
BC CRN programs	-	-	23,529	29,566
Conferences and staff meetings	-	-	72,847	61,881
Consulting	-	-	11,803	23,776
Education and awareness materials	44,857	45,990	1,033	1,316
Executive director fee	-	-	97,866	95,940
Funds for local CRN	-	-	255,830	193,891
Mentor outreach and support	111,419	95,059	239,973	260,540
Mentor travel	24,427	16,301	35,621	117,972
Office	-	-	13,510	8,116
Professional fees	-	-	18,220	17,846
Provincial website	-	-	512	120
	182,950	170,704	926,408	940,531
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	5,000	-	(5,000)
Transfer	-	(5,000)	-	5,000
FUND BALANCE, END OF YEAR	-	-	-	-

The accompanying notes are an integral part of these financial statements.

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

STATEMENT OF OPERATIONS – EXTERNALLY RESTRICTED FUNDS - continued

For the year ended March 31, 2019

	Ministry of Health CREA		Total	
	2019	2018	2019	2018
	\$	\$	\$	\$
REVENUE				
Gaming Grant	-	-	180,295	173,943
Interest income	-	-	2,655	1,761
Ministry of Health Grants	-	-	926,408	935,531
Ministry of Health - CREA	21,884	8,417	21,884	8,417
	21,884	8,417	1,131,242	1,119,652
EXPENSES				
Administrative and program support	-	-	157,911	142,921
BC CRN programs	-	-	23,529	29,566
CREA grants paid	21,884	8,417	21,884	8,417
Conferences and staff meetings	-	-	72,847	61,881
Consulting	-	-	11,803	23,776
Education and awareness materials	-	-	45,890	47,306
Executive director fee	-	-	97,866	95,940
Funds for local CRN	-	-	255,830	193,891
Mentor outreach and support	-	-	351,392	355,599
Mentor travel	-	-	60,048	134,273
Office	-	-	13,510	8,116
Professional fees	-	-	18,220	17,846
Provincial website	-	-	512	120
	21,884	8,417	1,131,242	1,119,652
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	-	-	-
Transfer	-	-	-	-
FUND BALANCE, END OF YEAR	-	-	-	-

The accompanying notes are an integral part of these financial statements.

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

STATEMENT OF CHANGES IN FUND BALANCES For the year ended March 31, 2019

	Operating Fund	Externally Restricted Fund	Total 2019	Total 2018
FUND BALANCE, BEGINNING OF YEAR	\$ 132,741	\$ -	\$ 132,741	\$ 125,631
Excess (deficiency) of revenue over expenses	19,590	-	19,590	7,110
FUND BALANCE, END OF YEAR	152,331	-	152,331	132,741

The accompanying notes are an integral part of these financial statements.

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

STATEMENT OF CASH FLOWS For the year ended March 31, 2019

	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	19,590	7,110
Change in non-cash working capital items:		
Accounts receivable	(1,226,000)	-
GST Public Service Bodies' rebate	33,213	(12,357)
Prepaid expenses	(17,940)	2,442
Investments	617,742	837,663
Accounts payable and accrual liabilities	21,834	22,082
Deferred revenue	1,287,413	(919,377)
Funds held for CRNs	13,753	16,244
Funds held for Council to Reduce Elder Abuse	60,000	-
	809,605	(46,193)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	809,605	(46,193)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	266,786	312,979
CASH AND CASH EQUIVALENTS, END OF YEAR	1,076,391	266,786

The accompanying notes are an integral part of these financial statements.

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

1 PURPOSE OF THE ORGANIZATION

The Association was incorporated on March 14, 2003 pursuant to the British Columbia Society Act as a not-for-profit organization for the purpose of working to prevent adult abuse and neglect and to support the development of Community Response Networks (CRN's). The Association provides modest funding to local CRNs, provincial community and regional workshops, community development consultation and print materials.

The Association is registered as a charitable organization under the Income Tax Act of Canada with the business number 89342 3400.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) FUND ACCOUNTING

The Association adopts the deferral method of accounting as follows:

Operating Fund – Unrestricted

The Association's revenues and expenses from general operations and administration are reported in the Operating Fund. The Fund is unrestricted.

Externally Restricted Fund

(i) Gaming Fund

The Gaming Fund is established to record funding from the Direct Access Program grant to assist paying the mentors' team and other volunteer support activities for CRN's.

(ii) Ministry of Health

The funding is provided by the Ministry of Health to support the Association's local community-based work and its collaborative efforts to raise awareness about abuse and neglect, and promote safety and security, for older adults. The program started in March 2012.

(b) CASH AND RESTRICTED CASH

Cash comprises bank balances. Restricted cash includes amounts held in bank accounts secured from gaming activities and other designated funds.

(c) REVENUE RECOGNITION

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable.

Restricted contributions are recognized as revenue of the appropriate restricted fund in the same period or periods which the related expenditures are incurred.

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(d) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are initially measured at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, which are measured at fair value. Changes in fair value are recognized in statement of operations.

Financial assets measured at amortized cost include cash, restricted cash and accounts receivable. Investments are measured at fair value.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets, other than those measured at fair value, are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

(e) CONTRIBUTED GOODS AND SERVICES

Volunteers contribute a significant amount of time to assist the Association in carrying out its activities. Because of the difficulty in determining its fair value, contributed time is not recognized or included in the financial statements. Refer to note (6)

The Association decided not to recognize in-kind contributions like space, materials and supplies since no receipts have been issued.

(f) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Significant areas of estimation include accounts receivable, accrued liabilities and amortization.

3 INVESTMENTS

Investments consist of term deposits and guaranteed investment certificates with maturity within a year and earns interest income with interest rate ranging from 0.90% to 1.65%.

	2019	2018
	\$	\$
Investments	53,584	665,307
Accrued interest receivable	584	6,603
	54,168	671,910

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

NOTES TO THE FINANCIAL STATEMENTS March 31, 2019

4 DEFERRED REVENUE

	Opening Balance	Funds Received	Funds Utilized	Total 2019	Total 2018
	\$	\$	\$	\$	\$
BC Gaming	135,050	150,000	(180,295)	104,755	135,050
Ministry of Health	497,068	2,266,000	(926,408)	1,836,660	497,068
Ministry of Health - CREA	84,254	-	(21,884)	62,370	84,254
	716,372	2,416,000	(1,128,587)	2,003,785	716,372

5 FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, restricted cash, investments, accounts payable and accrued liabilities. It is management's opinion that the Association is not exposed to significant interest rate, market, currency, credit, or liquidity risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values.

6 CONTRIBUTED SERVICES AND "IN-KIND"

The association has advised that local "in-kind" contributions from July 1, 2017 to June 30, 2018 are estimated to be valued at \$1,244,976. This figure is derived from the Use of Funds and Activities Reports filed by local CRN coordinators on an annual basis and it is comprised of:

- (i) actual dollars received from non-government sources - \$109,502;
- (ii) in-kind contributions like space, materials and supplies - \$156,310;
- (iii) education and orientation in local communities and volunteer labour for core CRN activities - \$979,164 based on a blended rate of \$25/hour for CRN coordinators and members.

Because of the difficulty of determining the fair value for donated space, materials and supplies, volunteer hours and contributed services at the time of receipts, these amounts are not reflected or included in the financial statements.

7 EMPLOYEES/CONTRACTORS REMUNERATION

Section 36(1)(b) of the British Columbia Societies Act requires that all remuneration paid to employee/contractor that is greater than \$75,000 be disclosed. For the fiscal year ending March 31, 2019, the association paid the following:

	2019	2018
	\$	\$
Executive Director	95,479	95,940

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

8 CHANGE IN ACCOUNTING POLICY

During the year, the Association adopted the deferral method of accounting for contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. The change in accounting policy does not have an impact on prior period presentation or fund opening balances.

9 ECONOMIC DEPENDENCE

The Association earned \$926,408 (2018 - \$935,531), which represents 80% (2018 - 83%) of its revenue, from the Ministry of Health.