

**BC ASSOCIATION OF
COMMUNITY RESPONSE
NETWORKS**

**FINANCIAL STATEMENTS
March 31, 2018**

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

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March 31, 2018

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

We have audited the accompanying financial statements of BC Association of Community Response Networks, which comprise of the statement of financial position as at March 31, 2018, and the statements of operations, statement of changes in fund balances and statement of cash flows, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' 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 auditors 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.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BC Association of Community Response Networks 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.

Report on Other Legal and Regulatory Requirements

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



REID HURST NAGY INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER, BC
JUNE 1, 2018

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

STATEMENT OF FINANCIAL POSITION

As at March 31, 2018

	Operating Fund	Externally Restricted Fund	Total 2018	Total 2017
	\$	\$	\$	\$
ASSETS				
Cash and restricted cash	125,655	141,131	266,786	312,979
Short-term investments (Note 3)	13,362	658,548	671,910	1,509,573
GST Public Service Bodies' Rebate	-	37,009	37,009	24,652
Prepaid expenses	-	3,400	3,400	5,842
Interfund receivable	9,968	-	9,968	-
	148,985	840,088	989,073	1,853,046
LIABILITIES				
Accounts payable and accrual liabilities	-	113,748	113,748	91,666
Funds held for Castlegar CRN	16,244	-	16,244	-
Deferred revenue (Note 4)	-	716,372	716,372	1,635,749
Interfund payable	-	9,968	9,968	-
	16,244	840,088	856,332	1,727,415
FUND BALANCES				
Unrestricted	132,741	-	132,741	125,631
	148,985	840,088	989,073	1,853,046

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, 2018

	Gaming Fund	Ministry of Health	Ministry of Health CREA	Total 2018	Total 2017
	\$	\$	\$	\$	\$
ASSETS					
Cash and restricted cash	141,131	-	-	141,131	222,778
Short-term investments	-	574,294	84,254	658,548	1,474,143
GST Public Service Bodies' Rebate	3,887	33,122	-	37,009	24,652
Prepaid expenses	-	3,400	-	3,400	5,842
	145,018	610,816	84,254	840,088	1,727,415
LIABILITIES					
Accounts payable and accrual liabilities	-	113,748	-	113,748	91,666
Interfund payable	9,968	-	-	9,968	-
Deferred revenue (Note 4)	135,050	497,068	84,254	716,372	1,635,749
	145,018	610,816	84,254	840,088	1,727,415
FUND BALANCES					
Externally restricted	-	-	-	-	-
	145,018	610,816	84,254	840,088	1,727,415

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, 2018

	Operating Fund		Externally Restricted Fund		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
REVENUE						
Donation	613	8,200	-	-	613	8,200
Grants and contribution	-	-	1,117,891	1,050,314	1,117,891	1,050,314
Interest income	6,919	41,704	1,761	1,258	8,680	42,962
Other Revenue	-	700	-	-	-	700
	7,532	50,604	1,119,652	1,051,572	1,127,184	1,102,176
EXPENSES						
Administrative and program support	-	-	142,921	116,203	142,921	116,203
BC CRN programs	-	-	29,566	24,987	29,566	24,987
CREA grants paid	-	-	8,417	172,247	8,417	172,247
Conferences and staff meetings	-	-	61,881	39,288	61,881	39,288
Consulting	-	-	23,776	45,903	23,776	45,903
Education and awareness materials	-	-	47,306	41,908	47,306	41,908
Executive director fee	-	-	95,940	95,940	95,940	95,940
Funds for local CRN	-	-	193,891	95,259	193,891	95,259
Interest and bank charges	422	527	-	-	422	527
Mentor outreach and support	-	-	355,599	324,147	355,599	324,147
Mentor travel	-	-	134,273	61,272	134,273	61,272
Office	-	-	8,116	7,390	8,116	7,390
Professional fees	-	-	17,846	15,701	17,846	15,701
Provincial website	-	-	120	11,327	120	11,327
	422	527	1,119,652	1,051,572	1,120,074	1,052,099
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	7,110	50,077	-	-	7,110	50,077

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, 2018

	Gaming Fund		Ministry of Health	
	2018	2017	2018	2017
	\$	\$	\$	\$
REVENUE				
Gaming Grant	173,943	145,082	-	-
Interest income	1,761	1,258	-	-
Ministry of Health Grants	-	-	935,531	732,985
	175,704	146,340	935,531	732,985
EXPENSES				
Administrative and program support	13,354	2,663	129,567	113,540
BC CRN programs	-	-	29,566	24,987
Conferences and staff meetings	-	-	61,881	39,288
Consulting	-	-	23,776	45,903
Education and awareness materials	45,990	35,006	1,316	6,902
Executive director fee	-	-	95,940	95,940
Funds for local CRN	-	93,623	193,891	1,636
Mentor outreach and support	95,059	12,286	260,540	311,861
Mentor travel	16,301	2,762	117,972	58,510
Office	-	-	8,116	7,390
Professional fees	-	-	17,846	15,701
Provincial website	-	-	120	11,327
	170,704	146,340	940,531	732,985
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, 2018

	Ministry of Health CREA		Total	
	2018	2017	2018	2017
	\$	\$	\$	\$
REVENUE				
Gaming Grant	-	-	173,943	145,082
Interest income	-	-	1,761	1,258
Ministry of Health Grants	-	-	935,531	732,985
Ministry of Health - CREA	8,417	172,247	8,417	172,247
	8,417	172,247	1,119,652	1,051,572
EXPENSES				
Administrative and program support	-	-	142,921	116,203
BC CRN programs	-	-	29,566	24,987
CREA grants paid	8,417	172,247	8,417	172,247
Conferences and staff meetings	-	-	61,881	39,288
Consulting	-	-	23,776	45,903
Education and awareness materials	-	-	47,306	41,908
Executive director fee	-	-	95,940	95,940
Funds for local CRN	-	-	193,891	95,259
Mentor outreach and support	-	-	355,599	324,147
Mentor travel	-	-	134,273	61,272
Office	-	-	8,116	7,390
Professional fees	-	-	17,846	15,701
Provincial website	-	-	120	11,327
	8,417	172,247	1,119,652	1,051,572
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, 2018

	Operating Fund	Externally Restricted Fund	Total 2018	Total 2017
FUND BALANCE, BEGINNING OF YEAR	\$ 125,631	\$ -	\$ 125,631	\$ 75,554
Excess (deficiency) of revenue over expenses	7,110	-	7,110	50,077
FUND BALANCE, END OF YEAR	132,741	-	132,741	125,631

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, 2018

	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	7,110	50,077
Change in non-cash working capital items:	7,110	50,077
GST Public Service Bodies' rebate	(12,357)	(10,367)
Prepaid expenses	2,442	(4,287)
Accounts payable and accrual liabilities	22,082	18,270
Deferred revenue	(919,377)	(850,314)
Short-term investments	837,663	804,798
Funds held for Castlegar CRN	16,244	-
	(46,193)	8,177
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(46,193)	8,177
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	312,979	304,802
CASH AND CASH EQUIVALENTS, END OF YEAR	266,786	312,979

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

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

NOTES TO THE FINANCIAL STATEMENTS March 31, 2018

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 restricted fund 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 which the related expenditures are incurred.

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

NOTES TO THE FINANCIAL STATEMENTS March 31, 2018

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 short-term investment, 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. Short-term investment 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.

3 SHORT-TERM INVESTMENT

Short-term 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%.

	2018	2017
	\$	\$
Short-term investments	665,307	1,474,143
Accrued interest receivable	6,603	35,430
	671,910	1,509,573

4 DEFERRED REVENUE

	Opening Balance	Funds Received	Funds Utilized	Total 2018	Total 2017
	\$	\$	\$	\$	\$
BC Gaming	158,993	151,761	(175,704)	135,050	158,993
Ministry of Health	1,432,598	-	(935,530)	497,068	1,432,598
Ministry of Health - CREA	44,158	48,513	(8,417)	84,254	44,158
	1,635,749	200,274	(1,119,651)	716,372	1,635,749

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

5 FINANCIAL INSTRUMENTS

The association's financial instruments consist of cash, restricted cash, short-term investments, GST Public Service Bodies' Rebate, 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, 2016 to June 30, 2017 are estimated to be valued at \$1,136,666. 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 - \$106,775;
- (ii) in-kind contributions like space, materials and supplies - \$125,845;
- (iii) Education and orientation in local communities and volunteer labour for core CRN activities - \$904,046 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.