

**BC ASSOCIATION OF  
COMMUNITY RESPONSE  
NETWORKS**

**FINANCIAL STATEMENTS  
March 31, 2020**

# BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

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March 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

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#### *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 statements of financial position as at March 31, 2020, and the statements of operations, statement of changes in net assets 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, 2020, 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 ASPNO, 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's 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.

##### *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:

## INDEPENDENT AUDITOR'S REPORT, CONTINUED

- ◆ 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.

### *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.



REID HURST NAGY INC.  
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER, B.C.  
May 29, 2020

# BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

## STATEMENT OF FINANCIAL POSITION

As at March 31, 2020

	Operating Fund	Externally Restricted Funds	Total 2020	Total 2019
	\$	\$	\$	\$
<b>ASSETS</b>				
Cash	-	1,144,553	<b>1,144,553</b>	1,076,391
Investments (Note 3)	-	-	-	54,168
Accounts receivable	198,116	1,166,000	<b>1,364,116</b>	1,229,793
Prepaid expenses	-	6,153	<b>6,153</b>	21,340
Interfund receivable	4,670	22,922	<b>27,592</b>	25,098
	<b>202,786</b>	<b>2,339,628</b>	<b>2,542,414</b>	<b>2,406,790</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	283	131,235	<b>131,518</b>	134,381
Due to government agencies	1,700	-	<b>1,700</b>	1,200
Funds held for local Community Response Networks	18,564	-	<b>18,564</b>	29,995
Funds held for Council to Reduce Elder Abuse	-	-	-	60,000
Deferred revenue (Note 4)	-	2,180,801	<b>2,180,801</b>	2,003,785
Interfund payable	-	27,592	<b>27,592</b>	25,098
	<b>20,547</b>	<b>2,339,628</b>	<b>2,360,175</b>	<b>2,254,459</b>
<b>NET ASSETS</b>				
Unrestricted	182,239	-	<b>182,239</b>	152,331
	<b>202,786</b>	<b>2,339,628</b>	<b>2,542,414</b>	<b>2,406,790</b>

Approved on behalf of the Board of Directors

\_\_\_\_ "Signed" \_\_\_\_\_ Director

\_\_\_\_ "Signed" \_\_\_\_\_ 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, 2020

	Gaming Fund	Ministry of Health	Ministry of Health CREA	Total 2020	Total 2019
	\$	\$	\$	\$	\$
<b>ASSETS</b>					
Cash	110,291	776,841	257,421	<b>1,144,553</b>	975,924
Accounts receivable	-	1,166,000	-	<b>1,166,000</b>	1,166,000
Prepaid expenses	-	6,153	-	<b>6,153</b>	21,340
Interfunds receivable	-	22,922	-	<b>22,922</b>	-
	110,291	1,971,916	257,421	<b>2,339,628</b>	2,163,264
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	-	131,235	-	<b>131,235</b>	134,381
Deferred revenue (Note 4)	82,699	1,840,681	257,421	<b>2,180,801</b>	2,003,785
Interfund payable	27,592	-	-	<b>27,592</b>	25,098
	110,291	1,971,916	257,421	<b>2,339,628</b>	2,163,264
<b>NET ASSETS</b>					
Externally restricted	-	-	-	-	-
	110,291	1,971,916	257,421	<b>2,339,628</b>	2,163,264

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

# BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

## STATEMENT OF OPERATIONS

March 31, 2020

	Operating Fund		Externally Restricted Funds		Total	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>						
Donation	-	2,000	-	-	-	2,000
Grants and contributions	-	-	1,378,983	1,128,587	<b>1,378,983</b>	1,128,587
Interest	31,838	25,123	2,493	2,655	<b>34,331</b>	27,778
	31,838	27,123	1,381,476	1,131,242	<b>1,413,314</b>	1,158,365
<b>EXPENSES</b>						
Administrative and program support	-	3,785	150,865	157,911	<b>150,865</b>	161,696
BC CRN programs	889	-	16,131	23,529	<b>17,020</b>	23,529
CREA grants paid	-	-	44,949	21,884	<b>44,949</b>	21,884
Conferences and staff meetings	-	316	217,585	72,847	<b>217,585</b>	73,163
Consulting	-	-	32,062	11,803	<b>32,062</b>	11,803
Education and awareness materials	-	-	61,153	45,890	<b>61,153</b>	45,890
Executive director fee	-	-	101,787	97,866	<b>101,787</b>	97,866
Funds for local CRN	-	2,000	252,583	255,830	<b>252,583</b>	257,830
Interest and bank charges	617	460	-	-	<b>617</b>	460
Mentor outreach and support	424	587	373,232	351,392	<b>373,656</b>	351,979
Mentor travel	-	376	60,258	60,048	<b>60,258</b>	60,424
Office	-	9	19,222	13,510	<b>19,222</b>	13,519
Professional fees	-	-	19,863	18,220	<b>19,863</b>	18,220
Provincial website	-	-	31,786	512	<b>31,786</b>	512
	1,930	7,533	1,381,476	1,131,242	<b>1,383,406</b>	1,138,775
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>29,908</b>	<b>19,590</b>	<b>-</b>	<b>-</b>	<b>29,908</b>	<b>19,590</b>

# BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

## STATEMENT OF OPERATIONS – EXTERNALLY RESTRICTED FUNDS

For the year ended March 31, 2020

	Gaming Fund		Ministry of Health	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>REVENUE</b>				
Gaming Grant	172,055	180,295	-	-
Interest	2,493	2,655	-	-
Ministry of Health Grants	-	-	1,161,979	926,408
	174,548	182,950	1,161,979	926,408
<b>EXPENSES</b>				
Administrative and program support	-	2,247	150,865	155,664
BC CRN programs	-	-	16,131	23,529
Conferences and staff meetings	-	-	217,585	72,847
Consulting	-	-	32,062	11,803
Education and awareness materials	58,088	44,857	3,066	1,033
Executive director fee	-	-	101,787	97,866
Funds for local CRN	-	-	252,583	255,830
Mentor outreach and support	101,810	111,419	271,422	239,973
Mentor travel	14,650	24,427	45,607	35,621
Office	-	-	19,222	13,510
Professional fees	-	-	19,863	18,220
Provincial website	-	-	31,786	512
	174,548	182,950	1,161,979	926,408
<b>EXCESS OF REVENUE OVER EXPENSES</b>	-	-	-	-

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, 2020

	Ministry of Health CREA		Total	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>REVENUE</b>				
Gaming Grant	-	-	172,055	180,295
Interest	-	-	2,493	2,655
Ministry of Health Grants	-	-	1,161,979	926,408
Ministry of Health - CREA	44,949	21,884	44,949	21,884
	44,949	21,884	1,381,476	1,131,242
<b>EXPENSES</b>				
Administrative and program support	-	-	150,865	157,911
BC CRN programs	-	-	16,131	23,529
CREA grants paid	44,949	21,884	44,949	21,884
Conferences and staff meetings	-	-	217,585	72,847
Consulting	-	-	32,062	11,803
Education and awareness materials	-	-	61,153	45,890
Executive director fee	-	-	101,787	97,866
Funds for local CRN	-	-	252,583	255,830
Mentor outreach and support	-	-	373,232	351,392
Mentor travel	-	-	60,258	60,048
Office	-	-	19,222	13,510
Professional fees	-	-	19,863	18,220
Provincial website	-	-	31,786	512
	44,949	21,884	1,381,476	1,131,242
<b>EXCESS OF REVENUE OVER EXPENSES</b>	-	-	-	-
<b>BALANCE, END OF YEAR</b>	-	-	-	-

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

# BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

## STATEMENT OF CHANGES IN NET ASSETS For the year ended March 31, 2020

	Operating Fund	Externally Restricted Funds	Total 2020	Total 2019
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 152,331	\$ -	\$ 152,331	\$ 132,741
Excess of revenue over expenses	29,908	-	<b>29,908</b>	19,590
<b>BALANCE, ENDING OF YEAR</b>	<b>182,239</b>	-	<b>182,239</b>	152,331

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, 2020

	2020	2019
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	29,908	19,590
Change in non-cash working capital items:		
Accounts receivable	(121,004)	(1,226,000)
GST Public Service Bodies' rebate	(13,319)	33,213
Prepaid expenses	15,187	(17,940)
Due to government agencies	500	1,200
Investments	54,168	617,742
Accounts payable and accrued liabilities	(2,863)	20,634
Deferred revenue	177,016	1,287,414
Funds held for CRNs	(11,431)	13,752
Funds held for Council to Reduce Elder Abuse	(60,000)	60,000
	<b>68,162</b>	<b>809,605</b>
<b>INCREASE IN CASH</b>	<b>68,162</b>	<b>809,605</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>1,076,391</b>	<b>266,786</b>
<b>CASH, END OF YEAR</b>	<b>1,144,553</b>	<b>1,076,391</b>

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

# BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2020

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### 1 PURPOSE OF THE ORGANIZATION

The Association was incorporated on March 14, 2003 pursuant to the British Columbia Societies 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 (CRNs). 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 revenue recognition 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 CRNs.

###### (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, 2020

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### 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 collectibility of accounts receivable, and accrued liabilities.

#### (g) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost. The Association provides for amortization using the following methods at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. Amortization is calculated by the declining balance method or the straight-line method at the annual rates set out. To the year end date, no tangible capital assets have been acquired.

### 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%.

	2020	2019
	\$	\$
Investments	-	53,584
Accrued interest receivable	-	584
	-	54,168

# BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2020

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### 4 DEFERRED REVENUE

	Opening Balance	Funds Received	Funds Utilized	Total 2020	Total 2019
	\$	\$	\$	\$	\$
BC Gaming	104,755	150,000	(172,056)	<b>82,699</b>	104,755
Ministry of Health	1,836,660	1,166,000	(1,161,979)	<b>1,840,681</b>	1,836,660
Ministry of Health - CREA	62,370	240,000	(44,949)	<b>257,421</b>	62,370
	<b>2,003,785</b>	<b>1,556,000</b>	<b>(1,378,984)</b>	<b>2,180,801</b>	<b>2,003,785</b>

### 5 FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivables, 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, 2018 to June 30, 2019 are estimated to be valued at \$1,493,958 (2019: \$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) in-kind donations - \$279,286;
- (ii) in-kind contributions like space, materials and supplies - \$124,713;
- (iii) education and orientation in local communities and volunteer labour for core CRN activities - \$1,089,958.

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.

# BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2020

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### 7 EMPLOYEES/CONTRACTORS REMUNERATION

Section 36(1)(b) of the British Columbia Societies Act requires that all remuneration paid to employees/contractors that is greater than \$75,000 be disclosed. For the fiscal year ending March 31, 2020, the Association paid the following:

	2020	2019
	\$	\$
Director of Administrative Services	77,376	-
Executive Director	99,300	95,479
	<b>176,676</b>	95,479

### 8 ECONOMIC DEPENDENCE

The Association earned \$1,161,979 (2019 - \$926,408), which represents 82.2% (2019 - 80%) of its revenue, from the Ministry of Health.