

**BC ASSOCIATION OF
COMMUNITY RESPONSE
NETWORKS**

**FINANCIAL STATEMENTS
March 31, 2021**

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

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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 statements of financial position as at March 31, 2021, 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, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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.
June 10, 2021

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

	Operating Fund	Externally Restricted Funds	Total 2021	Total 2020
	\$	\$	\$	\$
ASSETS				
Cash	-	371,608	371,608	1,144,553
Investments (Note 3)	213,957	720,126	934,083	-
Accounts receivable	16,628	1,166,000	1,182,628	1,364,116
Prepaid expenses	-	10,679	10,679	6,153
Interfund receivable	19,953	-	19,953	27,592
	250,538	2,268,413	2,518,951	2,542,414
LIABILITIES				
Accounts payable and accrued liabilities	-	123,328	123,328	131,518
Due to government agencies	2,100	-	2,100	1,700
Funds held for local Community Response Networks	53,551	-	53,551	18,564
Deferred revenue (Note 4)	-	2,125,132	2,125,132	2,180,801
Interfund payable	-	19,953	19,953	27,592
	55,651	2,268,413	2,324,064	2,360,175
NET ASSETS				
Unrestricted	194,887	-	194,887	182,239
	250,538	2,268,413	2,518,951	2,542,414

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, 2021

	Gaming Fund	Ministry of Health	Ministry of Health CREA	Total 2021	Total 2020
	\$	\$	\$	\$	\$
ASSETS					
Cash	150,182	-	221,426	371,608	1,144,553
Investments	-	714,930	5,196	720,126	-
Accounts receivable	-	1,166,000	-	1,166,000	1,166,000
Prepaid expenses	-	10,679	-	10,679	6,153
Interfunds receivable	-	-	-	-	22,922
	150,182	1,891,609	226,622	2,268,413	2,339,628
LIABILITIES					
Accounts payable and accrued liabilities	-	123,328	-	123,328	131,235
Deferred revenue (Note 4)	130,229	1,768,281	226,622	2,125,132	2,180,801
Interfund payable	19,953	-	-	19,953	27,592
	150,182	1,891,609	226,622	2,268,413	2,339,628
NET ASSETS					
Externally restricted	-	-	-	-	-
	150,182	1,891,609	226,622	2,268,413	2,339,628

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

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

STATEMENT OF OPERATIONS

March 31, 2021

	Operating Fund		Externally Restricted Funds		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
REVENUES						
Donation	146	-	-	-	146	-
Grants and contributions	-	-	1,371,669	1,378,983	1,371,669	1,378,983
Interest	14,283	31,838	797	2,493	15,080	34,331
	14,429	31,838	1,372,466	1,381,476	1,386,895	1,413,314
EXPENSES						
Administrative and program support	-	-	175,680	150,865	175,680	150,865
BC CRN programs	-	889	9,124	16,131	9,124	17,020
CREA grants paid	-	-	30,799	44,949	30,799	44,949
Conferences and staff meetings	-	-	26,985	217,585	26,985	217,585
Consulting	-	-	18,269	32,062	18,269	32,062
Education and awareness materials	-	-	67,364	61,153	67,364	61,153
Executive director fee	-	-	119,925	101,787	119,925	101,787
Funds for local CRN	-	-	423,701	252,583	423,701	252,583
Interest and bank charges	570	617	-	-	570	617
Mentor outreach and support	577	424	438,343	373,232	438,920	373,656
Mentor travel	-	-	25,010	60,258	25,010	60,258
Office	634	-	16,975	19,222	17,609	19,222
Professional fees	-	-	18,326	19,863	18,326	19,863
Provincial website	-	-	1,965	31,786	1,965	31,786
	1,781	1,930	1,372,466	1,381,476	1,374,247	1,383,406
EXCESS OF REVENUES OVER EXPENSES	12,648	29,908	-	-	12,648	29,908

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

STATEMENT OF OPERATIONS – EXTERNALLY RESTRICTED FUNDS

For the year ended March 31, 2021

	Gaming Fund		Ministry of Health		Ministry of Health CREA		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES								
Gaming Grant	102,470	172,055	-	-	-	-	102,470	172,055
Interest	797	2,493	-	-	-	-	797	2,493
Ministry of Health Grants	-	-	1,238,400	1,161,979	-	-	1,238,400	1,161,979
Ministry of Health - CREA	-	-	-	-	30,799	44,949	30,799	44,949
	103,267	174,548	1,238,400	1,161,979	30,799	44,949	1,372,466	1,381,476
EXPENSES								
Administrative and program support	-	-	175,680	150,865	-	-	175,680	150,865
BC CRN programs	-	-	9,124	16,131	-	-	9,124	16,131
CREA grants paid	-	-	-	-	30,799	44,949	30,799	44,949
Conferences and staff meetings	-	-	26,985	217,585	-	-	26,985	217,585
Consulting	-	-	18,269	32,062	-	-	18,269	32,062
Education and awareness materials	57,441	58,088	9,923	3,066	-	-	67,364	61,153
Executive director fee	-	-	119,925	101,787	-	-	119,925	101,787
Funds for local CRN	-	-	423,701	252,583	-	-	423,701	252,583
Mentor outreach and support	41,489	101,810	396,854	271,422	-	-	438,343	373,232
Mentor travel	4,337	14,650	20,673	45,607	-	-	25,010	60,258
Office	-	-	16,975	19,222	-	-	16,975	19,222
Professional fees	-	-	18,326	19,863	-	-	18,326	19,863
Provincial website	-	-	1,965	31,786	-	-	1,965	31,786
	103,267	174,548	1,238,400	1,161,979	30,799	44,949	1,372,466	1,381,476
EXCESS OF REVENUES OVER EXPENSES	-	-	-	-	-	-	-	-

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, 2021

	Operating Fund	Externally Restricted Funds	Total 2021	Total 2020
BALANCE, BEGINNING OF YEAR	\$ 182,239	\$ -	\$ 182,239	\$ 152,331
Excess of revenues over expenses	12,648	-	12,648	29,908
BALANCE, ENDING OF YEAR	194,887	-	194,887	182,239

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, 2021

	2021	2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	12,648	29,908
Change in non-cash working capital items:		
Accounts receivable	181,004	(121,004)
GST Public Service Bodies' rebate	483	(13,319)
Prepaid expenses	(4,526)	15,187
Due to government agencies	400	500
Investments	(9,083)	54,168
Accounts payable and accrued liabilities	(8,189)	(2,863)
Deferred revenue	(55,669)	177,016
Funds held for CRNs	34,987	(11,431)
Funds held for Council to Reduce Elder Abuse	-	(60,000)
	152,055	68,162
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	(925,000)	-
INCREASE (DECREASE) IN CASH	(772,945)	68,162
CASH, BEGINNING OF YEAR	1,144,553	1,076,391
CASH, END OF YEAR	371,608	1,144,553

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

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

NOTES TO THE FINANCIAL STATEMENTS March 31, 2021

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) DEFERRAL METHOD

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 Funds

(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, 2021

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, amounts due to government agencies, funds held for local CRNs, and deferred revenue.

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).

(f) MEASUREMENT UNCERTAINTY

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 revenues 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 a guaranteed investment certificate with maturity on July 10, 2021 and earns interest income with an interest rate of 1%.

	2021	2020
	\$	\$
Investments	925,000	-
Accrued interest receivable	9,083	-
	934,083	-

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

NOTES TO THE FINANCIAL STATEMENTS March 31, 2021

4 DEFERRED REVENUE

	Opening Balance	Funds Received	Funds Utilized	Total 2021	Total 2020
	\$	\$	\$	\$	\$
BC Gaming	82,699	150,000	(102,470)	130,229	82,699
Ministry of Health	1,840,681	1,166,000	(1,238,400)	1,768,281	1,840,681
Ministry of Health - CREA	257,421	-	(30,799)	226,622	257,421
	2,180,801	1,316,000	(1,371,669)	2,125,132	2,180,801

5 FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, investments, accounts receivables, accounts payable and accrued liabilities, amounts due to government agencies, funds held for local CRNs, and deferred revenue. 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, 2019 to June 30, 2020 are estimated to be valued at \$1,473,439 (2020: \$1,493,958). 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 - \$256,930;
- (ii) in-kind contributions like space, materials and supplies - \$145,646;
- (iii) education and orientation in local communities and volunteer labour for core CRN activities - \$1,070,863.

Because of the difficulty of determining the fair value for donated space, materials and supplies, volunteer hours and contributed services at the time of receipt, 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 employees/contractors that is greater than \$75,000 be disclosed. For the fiscal year ending March 31, 2021, the Association paid the following:

	2021	2020
	\$	\$
Director of Administrative Services	85,800	77,376
Executive Director	117,000	99,300
	202,800	176,676

BC ASSOCIATION OF COMMUNITY RESPONSE NETWORKS

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

8 ECONOMIC DEPENDENCE

The Association received \$1,238,400 (2020 - \$1,161,979), which represents 90.2% (2020 - 82.2%) of its revenues, from the Ministry of Health.

9 COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The economic effects within the Association's environment and in the global markets due to the disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) have a material impact on the Association's operations.

The extent of the impact of this outbreak and related containment measures on the Association's operations cannot be reliably estimated at this time.