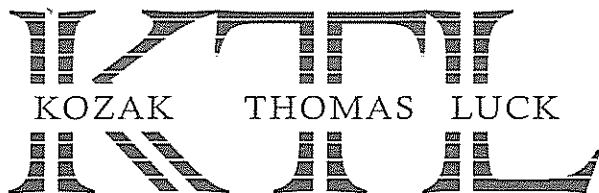


RICHMOND FAMILY PLACE SOCIETY

FINANCIAL STATEMENTS

MARCH 31, 2012



PETER M. KOZAK DAPHNE J. THOMAS GREG D. LUCK

Practicing Through Professional Corporations

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Richmond Family Place Society

We have audited the accompanying financial statements of Richmond Family Place Society, which comprise the statement of financial position as at March 31, 2012, and the statement of operations, statement of changes in net assets 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 generally accepted accounting principles 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 our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives a portion of its revenue from the general public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, cash and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Richmond Family Place Society as at March 31, 2012 and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

August 27, 2012
Richmond, B.C.

Kozak Thomas Luck
CHARTERED ACCOUNTANTS



SUITE 204 (NORTH TOWER) 5811 COONEY ROAD, RICHMOND, B.C. V6X 3M1 • TEL: (604) 276-2636 • FAX: (604) 273-9304

Members of
Institute of Chartered Accountants of British Columbia
Canadian Institute of Chartered Accountants


RICHMOND FAMILY PLACE SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2012

| | 2012 | 2011 |
|---|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Current | | |
| Cash and short-term deposits: | | |
| General operating fund | \$ 137,016 | \$ 184,468 |
| Richmond Children First Initiative [Note 5] | 93,544 | 90,281 |
| Accounts receivable | 49,765 | 52,178 |
| | <u>280,325</u> | <u>326,927</u> |
| Capital assets [Note 3] | 6,800 | 3,880 |
| | <u>\$ 287,125</u> | <u>\$ 330,807</u> |

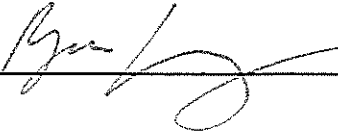
LIABILITIES AND NET ASSETS

| | | |
|--|-------------------|-------------------|
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 11,421 | \$ 11,041 |
| Deferred contributions [Note 6] | 228,461 | 299,389 |
| | <u>239,882</u> | <u>310,430</u> |
| Net assets | | |
| Invested in capital assets | 6,800 | 3,880 |
| Unrestricted | 40,443 | 16,497 |
| | <u>47,243</u> | <u>20,377</u> |
| | <u>\$ 287,125</u> | <u>\$ 330,807</u> |

Approved by the Board:



Director



Director

The accompanying notes are an integral part of these financial statements

RICHMOND FAMILY PLACE SOCIETY

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2012

| | 2012 | 2011 |
|---|------------------|------------------|
| Revenue | | |
| British Columbia government funding and grants: | | |
| General operating | \$ 258,089 | \$ 251,335 |
| Richmond Children First Initiative [Note 5] | 142,390 | 81,511 |
| Municipal grants | 44,270 | 38,500 |
| Other grants | 371,657 | 319,306 |
| Donations and fundraising activities | 103,920 | 92,050 |
| Interest and other | 1,793 | 806 |
| | 922,119 | 783,508 |
| Expenditures | | |
| Advertising and promotion | 4,900 | 4,174 |
| Amortization | 4,427 | 749 |
| Consulting | 2,627 | 6,837 |
| Fundraising costs | 12,010 | 7,782 |
| Insurance | 5,040 | 4,848 |
| Office | 13,059 | 15,154 |
| Professional development | 8,939 | 4,483 |
| Professional fees | 11,670 | 18,721 |
| Program expenses | 116,148 | 99,898 |
| Repairs and maintenance | 13,041 | 12,451 |
| Richmond Children First Initiative [Note 5] | 142,390 | 81,511 |
| Salaries and benefits | 545,159 | 493,468 |
| Utilities and telephone | 15,843 | 14,500 |
| | 895,253 | 764,576 |
| Excess of revenue over expenditures | \$ 26,866 | \$ 18,932 |

The accompanying notes are an integral part of these financial statements

RICHMOND FAMILY PLACE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED MARCH 31, 2012

| | Invested in capital assets | Unrestricted | 2012 | 2011 |
|-------------------------------------|-------------------------------|--------------|-----------|-----------|
| Balance, beginning of year | \$ 3,880 | \$ 16,497 | \$ 20,377 | \$ 1,445 |
| Invested in capital assets | 7,347 | (7,347) | — | — |
| Excess of revenue over expenditures | (4,427) | 31,293 | 26,866 | 18,932 |
| Balance, end of year | \$ 6,800 | \$ 40,443 | \$ 47,243 | \$ 20,377 |

The accompanying notes are an integral part of these financial statements

RICHMOND FAMILY PLACE SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2012

| | 2012 | 2011 |
|---|------------------|----------------|
| Cash flow from operating activities | | |
| Excess of revenue over expenditures | \$ 26,866 | \$ 18,932 |
| Items not involving cash: | | |
| Amortization | 4,427 | 749 |
| | 31,293 | 19,681 |
| Changes in non-cash working capital: | | |
| Accounts receivable | 2,413 | (22,668) |
| Accounts payable and accrued liabilities | 380 | (2,343) |
| Deferred contributions | (70,928) | 124,177 |
| | (36,842) | 118,847 |
| Cash flow from investing activities | | |
| Purchase of capital assets | (7,347) | (2,723) |
| (Decrease) increase in cash | (44,189) | 116,124 |
| Cash and short-term deposits at beginning of year | 274,749 | 158,625 |
| Cash and short-term deposits at end of year | \$ 230,560 | \$ 274,749 |
| CASH FLOW REPRESENTED BY: | | |
| General operating fund | \$ 137,016 | \$ 184,468 |
| Richmond Children First Initiative | 93,544 | 90,281 |
| | \$ 230,560 | \$ 274,749 |

The accompanying notes are an integral part of these financial statements

RICHMOND FAMILY PLACE SOCIETY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

1. Purpose of the Society:

The purpose of the Society is to operate Richmond Family Place which is a multi-service family resource program incorporated under the Society Act of British Columbia. The principal goals are to promote, establish and encourage activities for children (birth to twelve years of age) and their parents.

The Society is registered with Canada Revenue Agency as a charitable organization and is, therefore, exempt from income tax.

2. Significant accounting policies:

The financial statements have been prepared in accordance with the Canadian Institute of Chartered Accountants (CICA) Handbook – Part V Pre-Changeover Accounting Standards (Canadian generally accepted accounting principles) and include the following significant accounting policies:

a. Fund accounting

Net assets include the following:

(i) Invested in capital assets – reflects the Society's investment in capital assets. Capital assets are purchased using funds specifically received for such purchases or allocated by the Board of Directors from unrestricted net assets.

(ii) Unrestricted net assets – represents the Society's cumulative surplus which may be used for general purposes.

b. Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight line basis over five years. Additions are amortized at half the annual rate.

In the year of disposition, no amortization is reported.

c. Revenue recognition

The Society follows the deferral method of accounting for contributions, cash donations, gaming revenue, and grants. Grants and cash donations approved but not received at the end of an accounting period are accrued. Grants which cover multiple periods are recognized as revenue evenly over the term of the contract.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably established and collection is reasonably assured.

Externally restricted contributions and gaming revenue are recognized as revenue in the year in which the related expenses are recognized.

RICHMOND FAMILY PLACE SOCIETY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2. Significant accounting policies (continued)

d. Donations in kind

The Society receives various donations of clothes, snacks, etc. These donations are not recorded in the financial statements until such time as they are sold and cash received. In addition the stock of donated clothes, etc., on hand at the end of the year is not recorded in the financial statements since it is not practical to estimate a reliable value for these items.

In addition to a grant, the City of Richmond provides the Society premises for which the Society is charged a fee of \$1.00 per annum.

e. Donated services

The Society benefits from donated services in the form of volunteer time for various activities. The value of donated services is not recognized in these financial statements since accurate fair values cannot reasonably be determined.

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 at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from these estimates.

g. Financial instruments

The fair values of the Society's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying amounts, due to their short term to maturity.

h. Future accounting changes

In 2010, the CICA issued a new accounting framework applicable to Canadian not-for-profit organizations. Effective for fiscal years beginning on or after January 1, 2012, not-for-profit organizations may adopt either the CICA Handbook Part I – International Financial Reporting Standards or Part III – Accounting Standards for Not-for-Profit Organizations. The Society will adopt Part III – Accounting Standards for Not-for-Profit Organizations effective April 1, 2012. The impact of this transition is currently being determined.

RICHMOND FAMILY PLACE SOCIETY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

3. Capital assets

| | | Cost | Accumulated Amortization | 2012 Net Book Value |
|------------------------|----|--------|-----------------------------|---------------------------|
| Furniture and fixtures | \$ | 15,980 | \$ 12,183 | \$ 3,797 |
| Computer | | 25,210 | 22,207 | 3,003 |
| | \$ | 41,190 | \$ 34,390 | \$ 6,800 |

| | | Cost | Accumulated Amortization | 2011 Net Book Value |
|------------------------|----|--------|-----------------------------|---------------------------|
| Furniture and fixtures | \$ | 11,760 | \$ 11,760 | \$ — |
| Computer | | 22,574 | 18,694 | 3,880 |
| | \$ | 34,334 | \$ 30,454 | \$ 3,880 |

4. Operating line of credit

The Society was approved for an operating line of credit of \$15,000 on March 10, 2009. The revolving line of credit bears floating interest at 4% and is payable on the last day of each month. At March 31, 2012, the amount outstanding on the operating line of credit was \$nil. The security for the line of credit is a term deposit in the amount of \$15,400.

5. Richmond Children First Initiative

The Richmond Children First Initiative ("RCFI") is an initiative started by the Ministry for Children and Family Development, which is aimed at working with the community to develop a continuum of services and access to those services for children up to six years old. To date, the Society has received funding associated with RCFI totalling \$899,565 (2011 - \$811,205). Expenses of \$823,151 (2011 - \$680,761) relating to this program have been incurred to date. An equal and offsetting amount has been recognized as revenue to date. These funds are externally restricted and held separately from the Society's assets.

RICHMOND FAMILY PLACE SOCIETY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

6. Deferred contributions

| | 2012 | 2011 |
|---|-------------------|-------------------|
| Richmond Children First Initiative | \$ 76,414 | \$ 130,444 |
| City of Richmond | 24,000 | 18,270 |
| Vancouver Coastal Health | 5,255 | — |
| BC Gaming Board grant | 52,500 | 63,750 |
| United Way of the Lower Mainland | 35,237 | 49,425 |
| Province of B. C. - Ministry of Children and Families | 20,000 | 30,000 |
| School Board grants | — | 7,500 |
| Fundraising income | 15,055 | — |
| | \$ 228,461 | \$ 299,389 |

The society receives externally restricted funds from government and other charities which impose stipulations that specify how resources must be used. During the year, the society received externally restricted donations and grants in the amount of \$711,423 (2011 - \$796,557). Of the externally restricted amounts, \$798,136 (2011 - \$672,650) was recognized as revenue in the year.

7. Commitments

The Society is committed for minimum payments under the terms of an operating lease for equipment as summarized below.

| | |
|------|-----------------|
| 2013 | \$ 1,497 |
| 2014 | 1,123 |
| | \$ 2,620 |

8. Economic dependence

The society receives 43% of its revenues from the Province of BC and 31% of its revenues from the United Way. A change in funding from these sources could have a substantial effect on operations.

9. Comparative figures

The comparative figures have been reclassified to conform to current year presentation.