
FINANCIAL STATEMENTS

**COLLINGWOOD NEIGHBOURHOOD
HOUSE SOCIETY**

March 31, 2017

***TW* TOMPKINS, WOZNY, MILLER & Co.**
Chartered Professional Accountants

A partnership of incorporated professionals.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Collingwood Neighbourhood House Society

Report on the Financial Statements

We have audited the accompanying financial statements of Collingwood Neighbourhood House Society, which comprise the statement of financial position as at March 31, 2017 and the statements of changes in net assets, operations and 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 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.

Auditor's 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 auditor's 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 auditor considers internal control relevant to the Society'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 Society'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 not-for-profit organizations, the Society derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenue, and cash flows from operations for the years ended March 31, 2017 and 2016 current assets as at March 31, 2017 and 2016, and net assets as at April 1 and March 31 for both 2017 and 2016. Our audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2017, and the results of its operations 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 Societies Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Tompkins, Wozny, Miller & Co.

Vancouver, Canada
July 26, 2017

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31

	2017	2016
	\$	\$
ASSETS		
Current		
Cash - operating	893,182	847,245
- gaming	102,580	105,987
Accounts receivable [note 3]	440,092	371,680
Prepaid expenses and deposits	42,816	32,002
Total current assets	1,478,670	1,356,914
Capital assets [note 4]	334,262	381,528
	1,812,932	1,738,442
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accruals [note 5]	576,919	525,432
Deferred grants	276,393	212,992
Deferred gaming revenue [note 6]	102,580	105,987
Deposits	122,485	124,533
Total current liabilities	1,078,377	968,944
Deferred contributions related to capital assets [note 8]	143,843	179,804
Total liabilities and deferred contributions	1,222,220	1,148,748
Net assets		
Invested in capital assets	190,419	201,724
Internally restricted [note 9]	213,096	203,908
Unrestricted net assets	187,197	184,062
Total net assets	590,712	589,694
	1,812,932	1,738,442

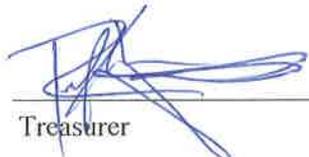
Commitments [note 10]

See accompanying notes to the financial statements

As approved by:



 President



 Treasurer

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Invested in Capital Assets \$	Internally Restricted \$	Un- restricted \$	Total \$
2017		[Note 9]		
Excess of revenue for the year	—	—	1,018	1,018
Amortization of capital assets	(82,632)	—	82,632	—
Amortization of deferred contributions related to capital assets	35,961	—	(35,961)	—
	(46,671)	—	47,689	1,018
Acquisition of capital assets	35,366	—	(35,366)	—
Net transfer to internally restricted net assets	—	9,188	(9,188)	—
Increase (decrease) in net assets for the year	(11,305)	9,188	3,135	1,018
Net assets, beginning of year	201,724	203,908	184,062	589,694
Net assets, end of year	190,419	213,096	187,197	590,712
2016				
Excess of revenue for the year	—	—	16,935	16,935
Amortization of capital assets	(98,136)	—	98,136	—
Amortization of deferred contributions related to capital assets	44,701	—	(44,701)	—
	(53,435)	—	70,370	16,935
Acquisition of capital assets	10,312	—	(10,312)	—
Restricted contributions used to acquire capital assets	(2,000)	—	2,000	—
Net transfer to internally restricted net assets	—	49,001	(49,001)	—
Increase (decrease) in net assets for the year	(45,123)	49,001	13,057	16,935
Net assets, beginning of year	246,847	154,907	171,005	572,759
Net assets, end of year	201,724	203,908	184,062	589,694

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended March 31

	2017	2016
	\$	\$
REVENUE		
Program fees	2,890,907	2,863,694
Grants <i>[schedule]</i>	2,659,188	2,500,154
Facilities rental	130,008	137,083
Gaming <i>[note 6]</i>	106,763	97,286
Endowment income <i>[note 7]</i>	95,869	92,342
Other	67,896	79,819
Donations and fundraising	67,024	67,412
Amortization of deferred contributions related to capital assets <i>[note 8]</i>	35,961	44,701
Interest	13,275	10,748
	6,066,891	5,893,239
EXPENSES		
Salaries and benefits	4,722,342	4,548,085
Contracted services	497,806	507,822
Program expenses, publicity and translation	296,552	267,518
Rent, telephone and utilities	181,295	166,521
Amortization of capital assets	82,632	98,136
Office expenses and supplies	65,310	62,167
Honoraria and volunteer support	55,770	42,313
Repairs and maintenance	45,050	49,053
Training	28,329	31,524
Travel	26,377	31,762
Insurance	26,155	25,929
Automobile	18,261	20,744
Bad debts	10,979	15,707
Membership dues	5,156	5,211
Bank charges	3,859	3,812
	6,065,873	5,876,304
Excess of revenue for the year	1,018	16,935

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue for the year	1,018	16,935
Items not affecting cash		
Amortization of capital assets	82,632	98,136
Amortization of deferred contributions related to capital assets	(35,961)	(44,701)
Changes in other non-cash working capital items		
Accounts receivable	(68,412)	58,174
Prepaid expenses and deposits	(10,814)	(2,338)
Accounts payable and accruals	51,487	9,151
Deferred grants	63,401	18,717
Deposits	(2,048)	9,159
Deferred gaming revenue	(3,407)	3,511
Cash provided by operating activities	77,896	166,744
INVESTING ACTIVITIES		
Acquisition of capital assets	(35,366)	(10,312)
Capital grants received	—	2,000
Cash used in investing activities	(35,366)	(8,312)
Increase in cash for the year	42,530	158,432
Cash, beginning of year	953,232	794,800
Cash, end of year	995,762	953,232
Cash includes:		
Operating	893,182	847,245
Gaming	102,580	105,987
	995,762	953,232

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

1. OPERATIONS

Collingwood Neighbourhood House Society (the "Society") was incorporated under the Society Act of British Columbia in November 1985, is a registered charitable organization and is exempt from corporate income taxes. Its objective is to promote the well being of the Collingwood community by providing leadership and working collaboratively with individuals, families, agencies and other groups to develop and support inclusive, innovative, sustainable initiatives and services that respond to the community's social, educational, economic, health, cultural and recreational needs.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to accounts receivable, useful lives of capital assets, accrued liabilities and the determination of the deferred portion of grants. Actual results could differ from these estimates.

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred grants relating to capital assets consists of grants that have been expended on the purchase of capital assets. The grants are recognized as income as the related capital assets are amortized.

Grant, program and gaming revenues are recorded as the related programs are delivered and collection is reasonably assured.

Donations and fundraising are recorded on a cash basis and recorded as revenue when received.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Unrestricted investment income is recognized as received in accordance with the terms of the underlying investment, which in the case of interest, is generally with the passage of time.

Contributed Services

Volunteers contribute their time to assist the Society in carrying out its activities. Due to the difficulty in determining the fair value of such services, the value of the donated services is not recognized in these financial statements. In 2017, approximately 29,292 hours were volunteered on behalf of the Society. These hours are unaudited.

Measurement of Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Cash and Cash Equivalents

Cash is defined as cash on hand, cash on deposit, and net of cheques issued and outstanding at the year-end.

The Society's statement of cash flows is prepared on a net cash basis and cash flows from operating activities are reported using the indirect method.

Capital Assets

Capital assets are recorded at cost, less accumulated amortization. Furniture, equipment, playground and vehicles are amortized using the declining balance basis at 20% per annum. Computer equipment are amortized at 33% per annum. One-half year's amortization is recorded in the year of acquisition.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent contributions with which capital assets were acquired. The contributions are transferred to revenue in an amount equal to the amortization of the related capital assets.

3. ACCOUNTS RECEIVABLE

	2017 \$	2016 \$
General operations	429,099	365,803
Government receivable - GST	16,872	15,847
	445,971	381,650
Allowance for doubtful accounts	(5,879)	(9,970)
	440,092	371,680

During the year, the Society recorded net bad debt expense of \$10,979 [2016 - \$15,707] and at year-end has a net allowance for doubtful accounts of \$5,879.

4. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value \$
2017			
Furniture and equipment	1,232,212	1,030,825	201,387
Computer equipment	160,118	138,299	21,819
Playground	345,443	241,411	104,032
Vehicles	76,334	69,310	7,024
	1,814,107	1,479,845	334,262
2016			
Furniture and equipment	1,221,419	981,827	239,592
Computer equipment	147,365	130,694	16,671
Playground	333,623	217,138	116,485
Vehicles	76,334	67,554	8,780
	1,778,741	1,397,213	381,528

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

5. ACCOUNTS PAYABLE AND ACCRUALS

	2017	2016
	\$	\$
Wages and vacation/sick time payable	460,657	425,644
General operations	100,522	85,459
WorkSafeBC	15,740	14,329
	<u>576,919</u>	<u>525,432</u>

6. GAMING

Net proceeds from direct access/gaming funds and gaming events sponsored by the Society are as follows:

	2017	2016
	\$	\$
Deferred from previous year	105,987	102,476
Received during the year	102,500	100,000
Interest and GST	856	797
Transferred to income	(106,763)	(97,286)
Deferred, end of year	<u>102,580</u>	<u>105,987</u>

\$102,500 of gaming revenue received in the year is for the next fiscal year and makes up part of the \$102,580 deferred balance.

7. ENDOWMENT FUNDS

The Collingwood Neighbourhood House Society Endowment Fund and the Collingwood Amenities Endowment Fund, both administered by the Vancouver Foundation, were established in December 1993 and September 1994, respectively, to assist in funding the operations of the Collingwood Neighbourhood House. These funds are held in irrevocable trusts managed by the Vancouver Foundation and are not reported in the financial statements. Income from the endowment funds is taken into revenue of the Society on an annual basis; \$489 was earned in the Collingwood Neighbourhood House Society Endowment Fund and \$95,380 from the Collingwood Amenities Endowment Fund. The funds have approximate market values of \$14,029 [2016 - \$13,004] and \$2,736,061 [2016 - \$2,536,119] respectively.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

8. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2017 \$	2016 \$
Balance, beginning of year	179,804	222,505
Add: Restricted contributions used to acquire capital assets		
– City of Vancouver	—	2,000
Less: Amounts amortized to revenue	(35,961)	(44,701)
Balance, end of year	143,843	179,804

9. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors has restricted a portion of the Society's net assets for the following purposes:

	Balance, beginning of year \$	Designated in the year \$	Reduced in the year \$	Balance, end of year \$
Internal restrictions				
Capital	65,932	—	—	65,932
Start Up Fund (Annex)	15,000	—	—	15,000
Community Development	41,694	24,184	3,770	62,108
Human Resources	77,556	—	9,500	68,056
Intercultural Neighbourhood Development	2,000	—	—	2,000
RC News	1,726	—	1,726	—
	203,908	24,184	14,996	213,096

10. COMMITMENTS

- a) The City of Vancouver has leased the facilities at 5288 Joyce Street to the Society at \$10 per annum.
- b) The First Lutheran Church of Vancouver, B.C. and British Columbia Housing Foundation have leased the Sarah House Child Care facility at 5729 Wales Street to the Society for a term of five years, commencing January 1, 2015, for a total of \$10.
- c) The Society has a lease agreement for a photocopier expiring in May 31, 2018. The lease payments are approximately \$3,346 per year.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

10. COMMITMENTS (CONT'D)

- d) The Society has leased the Duke Street facility for \$10 per annum until September 1, 2018.
- e) The Society has leased the Terry Tayler Early learning and Care Centre Street facility for \$10 per annum until January 1, 2018.
- f) A joint Gymnasium Operating Agreement between the City of Vancouver, the Vancouver School Board and the Society allows the Collingwood Neighbourhood School to use the east half of the Society's gym during scheduled times. The school pays 1/12 of the proportionate share of all the operating costs for half of the gym.
- g) The Society has leased the Grenfell facility for \$8,934 per annum.
- h) The Society has leased the Norquay facility for \$10,446 per annum.
- i) The Society has leased the Collingwood School Facility for \$5,877 per annum.
- j) The Society has leased the Graham Bruce facility for \$6,683 per annum.
- k) The Society has leased the Renfrew facility for \$10,715 per annum.
- l) The Society has a lease agreement with the First Lutheran Church for the LINC program with lease payments of \$2,250 per month or approximately \$22,500 per annum until April 1, 2018.

11. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at March 31, 2017.

Credit Risk

The Society is exposed to credit risk with respect to its cash and accounts receivable. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive based on their net realizable value. Cash balances are held at a Canadian credit union.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

11. FINANCIAL INSTRUMENTS (CONT'D)

Interest Rate Risk

The Society has interest rate risk on its bank accounts and endowment. Changes in the bank's prime lending rate or other rates can cause fluctuations in interest payments and cash flows. The Society does not use derivative financial instruments to alter the effects of this risk.

12. DISCLOSURE OF REMUNERATION

Pursuant to the British Columbia Societies Act, the Society is required to disclose wages and benefits paid to employees in the amount of \$75,000 or more during the fiscal year. Salaries and benefits expense includes remuneration paid to two employees for a total amount of \$180,158 for the fiscal year ending March 31, 2017. No remuneration was paid to any members of the Board.

SCHEDULE OF GRANTS

March 31, 2017	2017	2016
	\$	\$
City of Vancouver		
Gym Operating	260,042	257,185
Community Services Grant	132,458	113,604
Childcare Enhancement	63,890	53,421
Infant Toddler Endowment Reserve	59,400	59,400
Good Start Partnerships	28,262	4,129
Community Service Grant - Living In Community	23,238	33,716
Community and Neighbourhood Arts Development	17,606	7,500
Community Services Grant - SFS	16,964	19,315
Social Responsibility Fund	11,268	—
Capital Grant - Sarah House	7,740	1,940
Aboriginal Cultural Competency	4,881	—
Cultural Infrastructure	4,600	6,975
Duke Street Childcare Playground Renovation	2,930	—
Childcare Expansion Grant	492	2,823
Diversity Contract (LIC)	370	—
Direct Social Services Grant - SAFE	—	20,000
Homeless Action Week	—	1,700
Curriculum for Change Training	—	1,500
Vancouver Board of Parks and Recreation	—	841
	634,141	584,049
Province of B.C.		
MCFD - Childcare Operating Fund	386,121	388,582
Vancouver Coastal Health Authority - Smart Fund	97,535	97,650
BCHMC	87,960	78,639
MCFD - Healthy Families	82,575	79,605
MJTSTRL - Welcome BC Settlement & Integration Services	40,000	39,801
MCFD - Centre for Ability	36,842	33,511
Civil Forfeiture Office Grant- Living in Community	32,558	22,442
Civil Forfeiture Office - SYNC	15,759	20,000
Decoda Literacy Solutions	12,717	17,601
MCFD - Childcare Minor Capital	11,833	9,626
MCFD - Family Resource Grant	10,840	10,656
Vancouver Coastal Health - You Count	9,902	98
MAELM - Welcoming Community	8,336	5,449
TRANSLINK - Joyce-Collingwood Skytrain Mural Project	5,292	—
Living in Community	2,277	29,442
MJTSTRL - BWIN Welcoming Communities	—	1,564
	840,547	834,666
Subtotal	1,474,688	1,418,715

SCHEDULE OF GRANTS

March 31, 2017

	2017 \$	2016 \$
Balance forward from previous page	1,474,688	1,418,715
Federal Government		
Citizenship and Immigration Canada - Settlement Services	648,639	633,791
Urban Partnership Program	91,000	—
Families Branching Out	50,076	50,071
Heritage Canada	25,600	32,642
HRDC Summer Career Placement	22,121	24,384
New Horizons for Seniors Program (NHSP)	18,084	—
Community Fund for Canada's 150	8,995	—
Department of Justice Canada	5,900	—
	870,415	740,888
Others		
United Way of the Lower Mainland - Better at Home	113,000	100,000
United Way Community Services Grant	45,308	47,513
Vancouver Foundation - RC Intercultural	34,387	10,828
MOSAIC	24,534	64,558
Vancouver Foundation - SAFE	23,058	28,590
United Way Food For All	19,499	20,260
Vancouver Foundation - LIC/Curriculum for Change	15,145	36,274
Telus	12,000	—
Vancouver Foundation - Greenest City	9,571	—
Vancouver Coastal Health - Best Start/Healthy Vancouver	7,000	—
Vancouver Native Health Society	3,000	3,000
West Coast CC- Lydia Albert Fund	2,022	2,052
Renfrew Park Community Association	1,837	1,685
Vancouver Foundation - Neighbourhood Small Grants	1,024	—
The Rotary Club	900	—
Vancouver Reggio - Emilia Consortium	800	—
CMHA - Community Action Initiative	500	8,001
Vancity Food Security Workshops Grant	500	—
Face The World Foundation	—	5,000
Vancouver Foundation - Food Security	—	4,817
Vancouver Foundation - Building Skills and Opportunities	—	4,500
The Leon and Thea Koerner Foundation	—	2,473
Life Foundation Shopper's Drug Mart	—	1,000
	314,085	340,551
	2,659,188	2,500,154

Note: The schedule of grants has been prepared on an accrual basis and is net of amounts not yet earned by the Society. These amounts may not represent grants received in the year.

Capital grants received during the year are shown in Note 8.