
Richmond Hill Mobility Accessibility Charitable Foundation

Audited Financial Statements

December 31, 2018

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Independent Auditor's Report

**To the Board of Directors of
Richmond Hill Mobility Accessibility Charitable Foundation**

I have audited the accompanying financial statements of Richmond Hill Mobility Accessibility Charitable Foundation, which comprise the balance sheet as at December 31, 2018, and the statements of funding activities and net asset balance, and changes in 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the entity derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Organization. I was unable to determine whether any adjustments might be necessary to donations revenue, fundraising activities revenue, excess (deficiency) of revenue over expenditures and net assets (deficiency).

Qualified Opinion

In my opinion, except for the 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 Hill Mobility Accessibility Charitable Foundation as at December 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Professional Accountant, LPA

Richmond Hill, Ontario
September 3, 2019

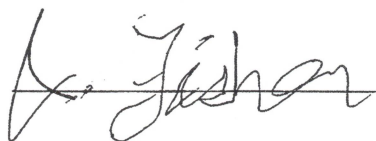
RICHMOND HILL MOBILITY ACCESSIBILITY CHARITABLE FOUNDATION**BALANCE SHEET****AS AT DECEMBER 31, 2018**

(With comparative figures as at December 31, 2017)

(AUDITED – See Audited Report dated September 3, 2019)

				2018	2017
		Tow n of			
	BINGO	Richmond Hill	General		
ASSETS					
CURRENT ASSETS					
Cash (Note 1)	\$ 12,327	\$ 26,240	\$ -	\$38,567	\$38,194
Accounts receivable	4,158	-	-	4,158	3,477
Funds due from general account	-	4,092	-	4,092	-
HST receivable	-	5,057	-	5,057	3,292
	<u>\$ 16,485</u>	<u>\$ 35,389</u>	<u>\$ -</u>	<u>\$51,874</u>	<u>\$44,963</u>
LIABILITIES					
CURRENT LIABILITIES					
Funds due to grant program	\$ -	\$ -	\$ 4,092	\$ 4,092	
Accounts payable and accrued liabilities	6,583	188		6,771	\$12,703
Deferred contributions (Note 2)	9,902	35,201	-	45,103	36,352
	<u>16,485</u>	<u>35,389</u>	<u>4,092</u>	<u>55,966</u>	<u>49,055</u>
NET ASSETS					
Unrestricted net assets	-	-	(4,092)	(4,092)	(4,092)
	<u>-</u>	<u>-</u>	<u>(4,092)</u>	<u>(4,092)</u>	<u>(4,092)</u>
	<u>\$ 16,485</u>	<u>\$ 35,389</u>	<u>\$ -</u>	<u>\$51,874</u>	<u>\$44,963</u>

Approved By Director:



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

RICHMOND HILL MOBILITY ACCESSIBILITY CHARITABLE FOUNDATION**STATEMENT OF FUNDING ACTIVITIES AND NET ASSET BALANCE****FOR THE YEAR ENDED DECEMBER 31, 2018**

(With comparative figures for the year ended December 31, 2017)

(AUDITED – See Audited Report dated September 3, 2019)

	BINGO FUNDING	Town of Richmond Hill	General	2018	2017
REVENUE					
Bingo proceeds	\$ 51,076	\$ -	\$ -	\$ 51,076	\$ 47,479
Projects (grants)	-	36,883	-	36,883	50,000
	<u>51,076</u>	<u>36,883</u>	<u>-</u>	<u>87,959</u>	<u>97,479</u>
EXPENSES					
Administrative expenses	10,750	10,188	-	20,938	27,906
Professional fees	3,500	4,662	-	8,162	3,500
General expenses	232	12,828	-	13,060	9,047
	<u>14,482</u>	<u>27,678</u>	<u>-</u>	<u>42,160</u>	<u>40,453</u>
Excess of revenue over expenses	36,594	9,205	-	45,799	57,026
Projects funded					
Other COGS	33,995	11,804	-	45,799	64,002
Total projects funded	<u>33,995</u>	<u>11,804</u>	<u>-</u>	<u>45,799</u>	<u>64,002</u>
Excess (deficiency) of revenue over expenditures	2,599	(2,599)	-	-	(6,976)
Transfers between funds	2,599	(2,599)	-	-	
Net Assets , beginning of the year	-	-	(4,092)	(4,092)	2,884
Net Assets, end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,092)</u>	<u>\$ (4,092)</u>	<u>\$ (4,092)</u>

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

RICHMOND HILL MOBILITY ACCESSIBILITY CHARITABLE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(With comparative figures for the year ended December 31, 2017)

(AUDITED – See Audited Report dated September 3, 2019)

	2018	2017
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ -	\$ (6,976)
	(42,160)	(33,477)
NET FUNDING ACTIVITIES	<u>(42,160)</u>	<u>(40,453)</u>
CHANGES IN WORKING CAPITAL BALANCES		
(Increase) decrease in accounts receivable	(681)	(238)
Increase (decrease) in accounts payable	(5,932)	8,417
Increase (decrease) in deferred contributions	8,751	-
(Increase) decrease in HST receivable	<u>(1,765)</u>	<u>(512)</u>
	<u>373</u>	<u>7,667</u>
	(41,787)	(32,786)
FUNDING ACTIVITIES		
Projects funded	<u>(45,799)</u>	<u>(64,002)</u>
FINANCING ACTIVITIES		
Income from bingo-net	51,076	47,479
Proceeds from Town Grant	<u>36,883</u>	<u>50,000</u>
	<u>87,959</u>	<u>97,479</u>
	373	691
Increase (decrease) in cash		
	<u>38,194</u>	<u>37,503</u>
Cash, beginning of year		
	<u>\$ 38,567</u>	<u>\$ 38,194</u>
Cash, end of year		
Externally Restricted Funds	\$ 38,567	\$ 38,194
Unrestricted General Funds	-	-
	<u>\$ 38,567</u>	<u>\$ 38,194</u>

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

RICHMOND HILL MOBILITY ACCESSIBILITY CHARITABLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

(AUDITED – See Audited Report dated September 3, 2019)

ORGANIZATION AND OPERATION

The Foundation was formed to ensure that the Town of Richmond Hill will be more accessible and barrier free to the disabled community. Its purpose is to obtain funding for various projects that facilitate greater mobility and to provide transportation services to the disabled.

The Foundation was formerly registered with Canada Customs and Revenue Agency as a charitable Foundation on April 30, 1999. As such the Foundation qualifies for tax-exempt status as a registered charity under paragraph 149 (1) (f) of the Income Tax Act. The charity operates in the private sector as opposed to the government not for profit sector.

BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). ASNFPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The significant accounting policies selected by the Organization and applied in these financial statements are summarized below. Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP. The statements are prepared and reported in Canadian dollars.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. Significant areas requiring the use of management estimates relate to the determination of the following: unspent contributions and fair values. Actual results may differ from those estimates.

REVENUE RECOGNITION

The Foundation follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Revenue from fundraising events is recognized when the event takes place. All other contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Expense recoveries, included in other income, are recognized in accordance with amounts set out in agreements, as they come due and collection is reasonably assured.

The work of the Organization is supported by donated gifts in kind. If their fair value can be reasonably estimated, these amounts are recorded as revenue and expensed in these financial statements at their fair value at the date of contribution.

ACCRUAL BASIS OF ACCOUNTING

These financial statements have been prepared using the accrual method of accounting whereby all revenues the organization is entitled to, and all expenses incurred relating to the current fiscal year, are recorded in the accounts for the current fiscal period.

RICHMOND HILL MOBILITY ACCESSIBILITY CHARITABLE FOUNDATION
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(AUDITED – See Audited Report dated September 3, 2019)

FUNDS

For financial reporting purposes, the Foundation maintains three funds to process all organization activities.

- (a) General Fund:
The purpose of the Operating Fund is to record the day-to-day operations of the organization including the receipt and use of donations and legacies with no external restrictions.
- (b) Lottery Fund:
The lottery fund reports the receipt of bingo pooling funds and disbursements therefrom.
- (c) Special Purpose Funds:
On occasion the organization receives donations for specific expenditures. Thus, on occasion, a fund is opened until all of the expenditures have been disbursed.

CONTRIBUTED SERVICES

Volunteers contribute volunteer hours during the current fiscal year. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

DISCLOSURE OF ALLOCATED EXPENSES BY NOT FOR PROFIT ORGANIZATIONS

Section 4470 establishes disclosure standards for not-for-profit organizations that choose to classify their expenses by function and allocate expenses from one function to another. The Foundation complies with this standard, with no significant impact on their results of operations or financial position.

The allocation of fund raising expenses may be based on a number of factors, including time, usage, number of persons or space, depending upon the category of expense.

The allocation of general support expenses is reasonable and applied on a consistent basis.

Expenditures

Certain expenditures common to each program are allowed to the various programs based on management's best estimate of the services provided or expenses incurred by the programs.

Income Taxes

Richmond Hill Mobility Foundation is a not-for-profit charitable organization registered under section 149.1 of the Canadian Income Tax Act, and as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

Financial Instruments

The Foundation initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

RICHMOND HILL MOBILITY ACCESSIBILITY CHARITABLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

(AUDITED – See Audited Report dated September 3, 2019)

The Foundation subsequently measures all financial assets and financial liabilities, including derivatives at fair value, except for loans and receivables, investments held-to-maturity and other financial liabilities, which are measured at amortized cost.

The Foundation's financial assets and liabilities are generally classified and measured as follows:

Asset/Liability	Category	Measurement
Cash	Held for Trading	Fair Value
Accounts receivable	Loans and Receivable	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

CAPITAL DISCLOSURES

The Foundation considers its capital to be amounts, if any, accumulated in net assets. The Foundation's objective when managing capital is to ensure that sufficient funds are maintained to fund projects for the disabled community in the Town of Richmond Hill and to maintain overheads. Deficiencies from operations are normally funded from annual contributions in future periods.

There have been no significant changes to the Foundation's capital management objectives, policies and processes in the year nor has there been any change in what the Foundation considers to be its capital.

1. CASH AND CASH EQUIVALENTS

Cash is comprised as follows:

	2018	2017
Externally restricted cash	\$ 38,567	\$ 38,194
Unrestricted cash	-	-
	<u>\$38,567</u>	<u>\$38,194</u>

Both restricted and unrestricted cash balances consists of cash on hand and amounts held at Canadian financial institutions. Restricted cash balances are balances externally restricted for use to fulfill grant obligations or for designated expenditures allowed from lottery accounts.

2. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted funding that has been received and relates to expenditures of a subsequent year. During the year, the Foundation received payments from grant funding and bingo fundraising events that will not be expended until the next fiscal year. At year end \$ 45,103 (2017 - \$36,352) is reported as deferred contributions.

RICHMOND HILL MOBILITY ACCESSIBILITY CHARITABLE FOUNDATION
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(AUDITED – See Audited Report dated September 3, 2019)

Changes in the contributions deferred to a future period are as follows:

	2018	2017
Deferred contributions, opening balance	\$ 36,352	\$ 36,352
Town Grant received in the year	50,000	50,000
Town Grant recognized as revenue in the year	(36,884)	(50,000)
	<u>13,116</u>	<u>-</u>
Bingo funds received in the year	46,028	47,479
Bingo funds recognized as revenue in year	(50,394)	(47,479)
	<u>(4,366)</u>	<u>-</u>
Deferred contributions, closing balance	<u>\$ 45,102</u>	<u>\$ 36,352</u>

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of short term financial assets and liabilities, including cash, accounts receivable, HST receivable, accounts payable & accruals and deferred contributions as presented in the balance sheet approximate their carrying amounts due to the short period to maturity of these financial instruments.

	2018		2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Held for Trading				
Cash	\$ 38,567	\$ 38,567	\$ 38,194	\$ 38,194
Loans and receivables				
Accounts receivable	\$ 4,158	\$ 4,158	\$ 3,477	\$ 3,477
Financial Liabilities				
Accounts payable and accrued liabilities	\$ 6,771	\$ 6,771	\$ 12,703	\$ 12,703

4. COMMITMENTS

In 2018, the Foundation received funding from The Town of Richmond Hill in the amount of \$ 50,000 in order to provide funding for three areas defined as administrative costs, supply of assisted devices, and recreation program for the organization. The funds were not fully expended in the year and the unspent funds of \$13,116 have been recognized as deferred contributions for a total at year end of \$35,200.

In addition the organization has funds from bingo pooling that they are committed to spend in accordance with liscence requirements. At the end of the fiscal year there remains \$ 9,902 in deferred contributions.

RICHMOND HILL MOBILITY ACCESSIBILITY CHARITABLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

(AUDITED – See Audited Report dated September 3, 2019)

5. FINANCIAL RISKS

Credit Risk

The Foundation is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Foundation does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares a budget to ensure it has sufficient funds to fulfill its obligations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation has minimal exposure to market risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation only deals in Canadian dollars and thus has no exposure to this risk.