

**ADOPTIVE FAMILIES ASSOCIATION  
OF BRITISH COLUMBIA**

**Financial Statements**

**Year Ended March 31, 2019**



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## INDEPENDENT AUDITORS' REPORT

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To the Members of the Adoptive Families Association of British Columbia

*Report on the Financial Statements*

*Qualified Opinion*

We have audited the financial statements of Adoptive Families Association of British Columbia (the "Association"), which comprise the statement of financial position as at March 31, 2019, and the statement of operations and changes in fund balances, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Basis for Qualified Opinion*

In common with many charitable organizations, the Association derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to donations, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2019 and 2018, total assets as at March 31, 2019 and 2018 and net assets as both the beginning and end of March 31, 2019 and 2018 years. The audit opinion on the financial statements for the year ended March 31, 2018 also contained a qualification because of the possible effects of this limitation in scope.

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 Association 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*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 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



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## **INDEPENDENT AUDITORS' REPORT, continued**

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### *Auditors' 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 auditors' 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:

- ◆ 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, the Association's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations applied on a consistent basis with the preceding year.

*Manning Elliott LLP*

Chartered Professional Accountants  
Vancouver, B.C.  
June 15, 2019

**Adoptive Families Association of British Columbia**  
**Statement of Financial Position**  
**As at March 31**

|                                   | Unrestricted Funds<br>2019 | Restricted Funds<br>2019 | Total<br>2019       | Total<br>2018       |
|-----------------------------------|----------------------------|--------------------------|---------------------|---------------------|
| <b>ASSETS</b>                     |                            |                          |                     |                     |
| <b>Current assets</b>             |                            |                          |                     |                     |
| Cash and term deposits            | \$ 176,162                 | \$ 312,035               | \$ 488,197          | \$ 848,874          |
| Accounts receivable               | 18,629                     | -                        | 18,629              | 158,000             |
| Interest receivable               | 707                        | -                        | 707                 | 779                 |
| Goods and services tax receivable | 6,055                      | -                        | 6,055               | 7,749               |
| Prepaid expenses                  | 15,247                     | -                        | 15,247              | 39,821              |
| Portfolio investments             | 216,339                    | 548,264                  | 764,603             | 715,524             |
|                                   | <u>433,139</u>             | <u>860,299</u>           | <u>1,293,438</u>    | <u>1,770,747</u>    |
| <b>Capital assets (Note 4)</b>    | 4,063                      | -                        | 4,063               | 3,492               |
| <b>Endowment fund (Note 8)</b>    | -                          | 15,552                   | 15,552              | 16,557              |
|                                   | <u>\$ 437,202</u>          | <u>\$ 875,851</u>        | <u>\$ 1,313,053</u> | <u>\$ 1,790,796</u> |

**LIABILITIES**

**Current liabilities**

|  |                |                |                |                  |
|--|----------------|----------------|----------------|------------------|
| Accounts payable and accrued liabilities | \$ 29,784      | \$ -           | \$ 29,784      | \$ 108,365       |
| Bursary fund (Note 5)                    | -              | 38,691         | 38,691         | 33,310           |
| Deferred revenue (Note 6)                | 145,351        | 2,718          | 148,069        | 189,350          |
| Externally restricted projects (Note 7)  | -              | 206,792        | 206,792        | 713,609          |
|  | <u>175,135</u> | <u>248,201</u> | <u>423,336</u> | <u>1,044,634</u> |

**FUND BALANCES**

|                                       |                   |                   |                     |                     |
|---------------------------------------|-------------------|-------------------|---------------------|---------------------|
| <b>Internally restricted (Note 8)</b> | -                 | 627,650           | 627,650             | 577,013             |
| <b>Unrestricted</b>                   | 262,067           | -                 | 262,067             | 169,149             |
|                                       | <u>262,067</u>    | <u>627,650</u>    | <u>889,717</u>      | <u>746,162</u>      |
|                                       | <u>\$ 437,202</u> | <u>\$ 875,851</u> | <u>\$ 1,313,053</u> | <u>\$ 1,790,796</u> |

Commitments (Note 9)

Approved by the Directors:

Director \_\_\_\_\_

Director \_\_\_\_\_

**Adoptive Families Association of British Columbia**  
**Statement of Operations and Changes in Fund Balances**  
**Year Ended March 31**

|  | Unrestricted Funds<br>2019 | Restricted Funds<br>2019 | Total<br>2019     | Total<br>2018      |
|--|----------------------------|--------------------------|-------------------|--------------------|
| <b>Revenues</b>                                      |                            |                          |                   |                    |
| Service contract                                     | \$ 929,546                 | \$ -                     | \$ 929,546        | \$ 944,943         |
| Project grants (Note 10)                             | 51,128                     | 248,685                  | 299,813           | 334,789            |
| Education and support activities (Note 11)           | 306,513                    | 13,669                   | 320,182           | 252,378            |
| Wendy's Wonderful Kids                               | -                          | 172,503                  | 172,503           | 149,548            |
| Donations  | 168,244                    | 36,464                   | 204,708           | 145,488            |
| Direct Access Gaming                                 | 105,000                    | -                        | 105,000           | 105,376            |
| Sublet rent  | 28,320                     | -                        | 28,320            | 27,263             |
| Interest and investment income (Note 12)             | 13,123                     | 44,661                   | 57,784            | 25,580             |
| Membership dues                                      | 10,096                     | -                        | 10,096            | 10,844             |
| Other income   | 4,188                      | -                        | 4,188             | 6,106              |
|  | <u>1,616,158</u>           | <u>515,982</u>           | <u>2,132,140</u>  | <u>2,002,315</u>   |
| <b>Expenses</b>                                      |                            |                          |                   |                    |
| <b>Program Services</b>                              |                            |                          |                   |                    |
| Provincial adoption support                          | 841,773                    | 13,901                   | 855,674           | 843,421            |
| Parent education, training and resource centre       | 283,800                    | -                        | 283,800           | 294,134            |
| Wendy's Wonderful Kids                               | -                          | 175,564                  | 175,564           | 149,834            |
| Community awareness                                  | 48,625                     | -                        | 48,625            | 85,534             |
| Teen adoption recruitment and support                | 64,330                     | 2,000                    | 66,330            | 73,315             |
| Post adoption counselling and support                | 14,653                     | -                        | 14,653            | 20,506             |
|  | <u>1,253,181</u>           | <u>191,465</u>           | <u>1,444,646</u>  | <u>1,466,744</u>   |
| <b>Project Costs</b>                                 |                            |                          |                   |                    |
| Program projects                                     | 30,750                     | 247,510                  | 278,260           | 307,808            |
| <b>Support Services</b>                              |                            |                          |                   |                    |
| Fundraising  | 130,562                    | -                        | 130,562           | 154,762            |
| Management and administration                        | 112,934                    | 23,016                   | 135,950           | 125,603            |
|  | <u>243,496</u>             | <u>23,016</u>            | <u>266,512</u>    | <u>280,365</u>     |
|  | <u>1,527,427</u>           | <u>461,991</u>           | <u>1,989,418</u>  | <u>2,054,917</u>   |
| <b>Excess (deficiency) of revenues over expenses</b> | <b>\$ 88,731</b>           | <b>\$ 53,991</b>         | <b>\$ 142,722</b> | <b>\$ (52,602)</b> |
| <b>Fund balances, beginning of year</b>              |                            |                          |                   |                    |
| Current year's excess (deficiency)                   | 88,731                     | 53,991                   | 142,722           | (52,602)           |
| Interfund transfer - restricted funds                |                            |                          |                   |                    |
| excess of revenue over expenses                      | 53,991                     | (53,991)                 | -                 | -                  |
| Interfund transfer - development fund                | (51,804)                   | 51,804                   | -                 | -                  |
| Interfund transfer - youth bursary fund              | 2,000                      | (2,000)                  | -                 | -                  |
| Internally restricted grant for camp fund            | -                          | 1,838                    | 1,838             | -                  |
| Endowment fund                                       | -                          | (1,005)                  | (1,005)           | 1,557              |
| <b>Fund balances, end of year</b>                    | <b>\$ 262,067</b>          | <b>\$ 627,650</b>        | <b>\$ 889,717</b> | <b>\$ 746,162</b>  |

**Adoptive Families Association of British Columbia**  
**Statement of Cash Flows**  
**Year Ended March 31**

|  | 2019              | 2018              |
|--|-------------------|-------------------|
| <b>Operating activities</b>                                      |                   |                   |
| Current year's excess (deficiency) of revenue over expenses      | \$ 142,722        | \$ (52,602)       |
| Item not affecting cash:   |                   |                   |
| Amortization   | 3,422             | 8,796             |
| Loss on disposal of capital assets                               | 633               | -                 |
| Change in non-cash working capital balances                      |                   |                   |
| Accounts receivable  | 139,371           | (138,077)         |
| Interest receivable  | 72                | 224               |
| Goods and services tax receivable                                | 1,694             | (1,697)           |
| Prepaid expenses   | 24,574            | (17,686)          |
| Accounts payable and accrued liabilities                         | (78,581)          | 30,091            |
| Bursary fund   | 5,381             | 6,065             |
| Deferred revenue   | (41,281)          | 8,942             |
| Externally restricted projects                                   | (506,817)         | (28,549)          |
|  | <u>(308,810)</u>  | <u>(184,493)</u>  |
| <b>Investing activities</b>                                      |                   |                   |
| Investment in portfolio investments                              | (49,079)          | (17,063)          |
| Purchase of capital assets                                       | (4,626)           | (3,145)           |
| Endowment fund grants received                                   | 1,838             | -                 |
|  | <u>(51,867)</u>   | <u>(20,208)</u>   |
| Increase (decrease) in cash and cash equivalents during the year | (360,677)         | (204,701)         |
| Cash and cash equivalents, beginning of year                     | 848,874           | 1,053,575         |
| Cash and cash equivalents, end of year                           | <u>\$ 488,197</u> | <u>\$ 848,874</u> |
| <b>Cash and cash equivalents consist of:</b>                     |                   |                   |
| Cash   | \$ 356,873        | \$ 517,226        |
| Term deposits  | 131,324           | 331,648           |
|  | <u>\$ 488,197</u> | <u>\$ 848,874</u> |

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# Adoptive Families Association of British Columbia

## Notes to the Financial Statements

### Year Ended March 31, 2019

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#### 1. Purpose of the organization

Adoptive Families Association of British Columbia (the "Association") was incorporated under the Society Act of British Columbia and transitioned to the British Columbia Societies Act on July 26, 2017 and is a registered charity under the Income Tax Act (Canada). The Association is a province-wide not-for-profit society which offers information, education and support to families and individuals involved in adoption.

#### 2. Significant accounting policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

##### (a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook.

##### (b) Fund accounting

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Association, the accounts of the Association are maintained in accordance with the principles of fund accounting following the deferral method of accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the funders, donors or in accordance with directives issued by the Board of Directors ("the Board").

Transfers between the funds are made when they are considered appropriate and when they are authorized by the Board. To meet these objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective fund. These interfund transfers are reported in the statement of changes in fund balances.

Revenue and expenses related to externally restricted projects and programs are reported in Restricted Funds. Internally Restricted Funds, segregated funds established by the Board, and related investment income are also reported in Restricted Funds (Note 8). The internally restricted endowment fund can, at the discretion of the Board, be used to fund the operations of the Association. All other revenue and expenses including those related to ongoing programs and services are reported in Unrestricted Funds.

##### (c) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term deposits which are readily convertible to a known amount of cash and subject to an insignificant risk of change in value.

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# Adoptive Families Association of British Columbia

## Notes to the Financial Statements

### Year Ended March 31, 2019

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#### 2. Significant accounting policies, continued

##### (d) Revenue recognition

Restricted contributions are recognized as revenue in the year in which the related expenses 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.

Membership dues are recorded as revenue in the year to which they relate.

The Association benefits greatly from donated services in the form of volunteer time, the value of which is not determinable. Donated services are consequently not recognized in these financial statements.

The Association records contributed materials and services at their fair value when fair value is readily determinable and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

Investment income includes dividend and interest income and realized and unrealized investment gains and losses.

##### (e) Capital assets

Capital assets are recorded at cost less accumulated amortization over the estimated useful life on a straight-line basis at the following rates:

|                                |         |
|--------------------------------|---------|
| Office equipment and computers | 3 years |
| Leasehold improvements         | 3 years |

The Association monitors the recoverability of capital assets based on their long-term service potential. When a capital asset no longer has any long-term service potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs recognized under this policy are not reversed.

##### (f) Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the valuation of accounts receivable, the determination of the useful lives of assets for calculating amortization, deferred revenue, externally restricted projects, and the amounts recorded as accrued liabilities.



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# Adoptive Families Association of British Columbia

## Notes to the Financial Statements

### Year Ended March 31, 2019

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#### 2. Significant accounting policies, continued

##### (g) Financial instruments

###### Measurement

The Association's financial instruments consist of cash and term deposits, accounts receivable, interest receivable, portfolio investments and accounts payable.

The Association initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Association subsequently measures all of its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of equity instruments carried at fair value are recognized in the statement of operations.

###### Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, 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 the statement of operations in the period in which it is determined.

##### (h) Portfolio investments

The Association's investment policy is to invest with sound and prudent investment management principles. Investments for the portfolio will be based on the requirement for safety, growth, yield and liquidity in that order of importance. The policy directs that this is to be accomplished by investing in a diversified portfolio which includes cash equivalents, common stocks, bonds and alternative investments that will allow for the portfolio to achieve the rate of return goal at an appropriate level of risk. Portfolio investments are recorded at fair market value.

# Adoptive Families Association of British Columbia

## Notes to the Financial Statements

### Year Ended March 31, 2019

#### 3. Financial instruments risks

The Association's financial instruments are described in Note 2(g). In management's opinion the Association is not exposed to significant credit, liquidity, market, currency, interest rate or other price risks arising from these financial statements, other than as described below. In addition, the Association is not exposed to any material concentrations of risk and there has been no change in risk exposures from the prior year.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its responsibilities. The Association is exposed to this risk by providing credit to program attendees. Included in accounts receivable as at March 31, 2019 is an allowance for doubtful accounts provision of \$6,216 (2018 - \$10,000).

(b) Currency risk

Currency risk is the risk to the Association's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association is exposed to foreign currency exchange risk on cash and investments held in U.S. dollars totalling \$131,680 (USD \$98,637) (2018 - \$111,395; USD \$86,353). The Association does not use derivative instruments to reduce its exposure to foreign currency risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(d) 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. The Association is mainly exposed to the volatility of returns from changes in investment markets. The concentration of the market risk is predominately with the balances held in portfolio investments. The Association mitigates this risk through its investment policy and the diversification of its investments.

#### 4. Capital assets

|                                | 2019<br>Cost     | 2019<br>Accumulated<br>amortization | 2019<br>Net     | 2018<br>Net     |
|--------------------------------|------------------|-------------------------------------|-----------------|-----------------|
| Office equipment and computers | \$ 53,341        | \$ 50,250                           | \$ 3,091        | \$ 1,548        |
| Leasehold improvements         | 30,817           | 29,845                              | 972             | 1,944           |
|                                | <u>\$ 84,158</u> | <u>\$ 80,095</u>                    | <u>\$ 4,063</u> | <u>\$ 3,492</u> |

Included in expenditures for the year ended March 31, 2019 is amortization of \$3,422 (2018 - \$8,796). The amortization has been prorated and included as an expense to each program.

**Adoptive Families Association of British Columbia**  
**Notes to the Financial Statements**  
**Year Ended March 31, 2019**

**5. Bursary fund**

The Association has received externally restricted contributions for the Howard Legacy Youth Bursary fund as follows:

|                    | <b>2019</b>      | <b>2018</b>      |
|--------------------|------------------|------------------|
| Opening balance    | \$ 33,310        | \$ 27,245        |
| Donations          | 7,381            | 8,065            |
| Bursaries paid out | (2,000)          | (2,000)          |
|                    | <u>\$ 38,691</u> | <u>\$ 33,310</u> |

**6. Deferred revenue**

Deferred revenue consists of amounts received from the following funders to be realized as projects are completed in a future period:

|   | <b>2019</b>       | <b>2018</b>       |
|---|-------------------|-------------------|
| Ministry of Children and Family Development | \$ 23,890         | \$ 19,063         |
| Association members                         | 17,261            | 46,354            |
| Community Gaming Grant                      | 104,200           | 105,000           |
| Wendy's Wonderful Kids Foundation           | 2,718             | 18,933            |
|   | <u>\$ 148,069</u> | <u>\$ 189,350</u> |

**7. Externally restricted projects**

The Association has received externally restricted funds to carry out specific projects that will be spent in a future period. The projects relate to the following programs:

|                                       | <b>2019</b>       | <b>2018</b>       |
|---------------------------------------|-------------------|-------------------|
| Education                             | \$ 38,025         | \$ 328,381        |
| Youth, including Agedout.com services | 150,402           | 366,518           |
| Recruitment                           | -                 | 13,061            |
| Family support and home studies       | 2,850             | 5,649             |
| Economic stability mandate            | 15,515            | -                 |
|                                       | <u>\$ 206,792</u> | <u>\$ 713,609</u> |

The projects were funded by the following:

|   | <b>2019</b>       | <b>2018</b>       |
|---|-------------------|-------------------|
| Ministry of Children and Family Development | \$ 170,152        | \$ 670,960        |
| Victoria Foundation                         | 17,250            | 6,580             |
| Corporate donations                         | 19,390            | 26,999            |
| Vancouver Foundation                        | -                 | 9,070             |
|   | <u>\$ 206,792</u> | <u>\$ 713,609</u> |

# Adoptive Families Association of British Columbia

## Notes to the Financial Statements

### Year Ended March 31, 2019

#### 8. Internally restricted funds

|                    | Development fund | Operating contingency fund | AFABC youth bursary fund | Family camp fund | Victoria Foundation endowment fund | 2019       | 2018       |
|--------------------|------------------|----------------------------|--------------------------|------------------|------------------------------------|------------|------------|
| Opening balance    | \$ 173,196       | \$ 375,000                 | \$ 12,260                | \$ -             | \$ 16,557                          | \$ 577,013 | \$ 583,585 |
| Investment income  | -                | -                          | -                        | -                | 833                                | 833        | 4,953      |
| Grants paid out    | -                | -                          | -                        | -                | (1,838)                            | (1,838)    | -          |
| Bursaries paid out | -                | -                          | (2,000)                  | -                | -                                  | (2,000)    | (2,000)    |
| Camp income        | -                | -                          | -                        | 13,669           | -                                  | 13,669     | 13,450     |
| Camp expenses      | -                | -                          | -                        | (13,925)         | -                                  | (13,925)   | (24,495)   |
| Transfers          | 51,804           | -                          | -                        | 1,838            | -                                  | 53,642     | 1,520      |
| Donation received  | -                | -                          | -                        | 256              | -                                  | 256        | -          |
| Closing balance    | \$ 225,000       | \$ 375,000                 | \$ 10,260                | \$ 1,838         | \$ 15,552                          | \$ 627,650 | \$ 577,013 |

The Development fund is internally restricted by the Board for the purposes of building the Association's organizational capacity over the next three years, including upgrading business systems and building development capacity. These funds are held in portfolio investments and term deposits.

Funds for the operating contingency fund are held in portfolio investments.

Funds for the youth bursary fund and family camp fund are held in term deposits.

Funds for the Victoria Foundation endowment fund are held in trust by the Victoria Foundation. The Victoria Foundation is one of the oldest community foundations and is a registered charity in Canada which manages charitable gifts to create permanent, income-earning funds that support charities locally in British Columbia and across Canada.

#### 9. Commitments

The Association is committed to an operating rental lease for its office premises in Burnaby, British Columbia until February 28, 2021.

The minimum expected lease payments for the next two years are as follows:

|      |                |
|------|----------------|
| 2020 | 53,353         |
| 2021 | <u>48,907</u>  |
|      | <u>102,260</u> |

#### 10. Project grants

Project grants were funded by the following:

|   | 2019              | 2018              |
|---|-------------------|-------------------|
| Ministry of Children and Family Development | \$ 299,813        | \$ 292,039        |
| Ministry of Tourism                         | -                 | 42,750            |
|   | <u>\$ 299,813</u> | <u>\$ 334,789</u> |

# Adoptive Families Association of British Columbia

## Notes to the Financial Statements

### Year Ended March 31, 2019

#### 11. Education and support activities

Education and support activities were funded by the following:

|   | 2019              | 2018              |
|---|-------------------|-------------------|
| Ministry of Children and Family Development | \$ 242,433        | \$ 156,120        |
| Association members and clients             | 77,749            | 96,258            |
|   | <u>\$ 320,182</u> | <u>\$ 252,378</u> |

#### 12. Interest and investment income

|                              | 2019             | 2018             |
|------------------------------|------------------|------------------|
| Interest and dividend income | \$ 19,848        | \$ 19,995        |
| Interest on term deposits    | 1,415            | 1,927            |
| Realized gains               | 2,423            | 6,223            |
| Unrealized gains (losses)    | 34,098           | (2,565)          |
|                              | <u>\$ 57,784</u> | <u>\$ 25,580</u> |

#### 13. Economic dependence

The Association receives its service contract revenue of \$929,546 (2018 - \$944,943) from the Province of British Columbia, Ministry of Children and Family Development ("the Ministry"). The Association has a client services agreement with the Ministry effective from April 1, 2016 through to March 31, 2021.

#### 14. Related party transactions

During the year the following related party transaction expenses occurred:

Consulting fees totalling \$3,552 (2018 - \$2,583) were provided by a company owned by a director of the Board.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

#### 15. Employee remuneration

Wages and employee benefits expense for the year includes one annualized employee position that earned over \$75,000, for a total of \$120,408 (2018 - one employee totalling \$85,470).