

TOUCHSTONE FAMILY ASSOCIATION
NON-CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

INDEX

	Page
INDEPENDENT AUDITORS REPORT	1 - 2
NON-CONSOLIDATED FINANCIAL STATEMENTS	
Non-consolidated Statement of Financial Position	3 - 4
Non-consolidated Statement of Changes in Net Assets	5
Non-consolidated Statement of Operations	6
Non-consolidated Statement of Cash Flows	7
Notes to Non-consolidated Financial Statements	8 - 15
Schedules for MCFD Programs	16 - 17

INDEPENDENT AUDITORS REPORT

To the Directors of Touchstone Family Association

Qualified Opinion

We have audited the accompanying non-consolidated financial statements of Touchstone Family Association, which comprise the non-consolidated statement of financial position as at March 31, 2022, and the non-consolidated statement of changes in net assets, non-consolidated statement of operations, and non-consolidated statement of cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the non-consolidated financial statements present fairly, in all material respects, the financial position of Touchstone Family Association as at March 31, 2022 and its result 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 not-for-profit organizations, Touchstone Family Association 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 Touchstone Family Association. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenue over expenses, cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1, 2021 and 2020 and March 31 for both the 2022 and 2021 years. Our audit opinion on the non-consolidated financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Non-consolidated Financial Statements section of my report. We are independent of Touchstone Family Association in accordance with the ethical requirements that are relevant to my audit of the non-consolidated financial statements in Canada, and we have fulfilled my other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibility of Management and Those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated 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 non-consolidated 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 my 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 Touchstone Family 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 Touchstone Family 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 auditors report to the related disclosures in the non-consolidated 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 my auditors report. However, future events or conditions may cause Touchstone Family Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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 Societies Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.



Cran & Company
Chartered Professional Accountants
Delta, BC
June 3, 2022

**TOUCHSTONE FAMILY ASSOCIATION
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022.**

	<u>Administration and Programs</u>	<u>Gaming</u>	<u>2022 Total</u>	<u>2021 Total</u>
ASSETS				
CURRENT ASSETS				
Cash	\$ 912,086	\$ 70,000	\$ 982,086	\$ 850,166
Accounts receivable	42,190	-	42,190	25,175
Prepaid expenses	19,262	-	19,262	22,976
GST refundable	6,647	-	6,647	6,414
Due from controlled entity (note 2J, 3)	31,381	-	31,381	153,491
TOTAL CURRENT ASSETS	1,011,566	70,000	1,081,566	1,058,222
SECURITY DEPOSIT	22,550	-	22,550	22,550
RESTRICTED CASH (note 4)	238,759	-	238,759	238,759
CAPITAL ASSETS (notes 2A, 5)	60,289	-	60,289	75,021
TOTAL ASSETS	\$ 1,333,164	\$ 70,000	\$ 1,403,164	\$ 1,394,552

**TOUCHSTONE FAMILY ASSOCIATION
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

	<u>Administration and Programs</u>	<u>Gaming</u>	<u>2022 Total</u>	<u>2021 Total</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 22,284	\$ -	\$ 22,284	\$ 24,753
Government remittances payable	100,442	-	100,442	98,306
Payroll liabilities (note 6)	410,646	-	410,646	377,844
Deferred revenue (note 7)	187,574	70,000	257,574	286,741
TOTAL CURRENT LIABILITIES	720,946	70,000	790,946	787,644
NET ASSETS				
Internally restricted (note 4)	238,759	-	238,759	238,759
Unrestricted	373,459	-	373,459	368,149
TOTAL NET ASSETS	612,218	-	612,218	606,908
TOTAL LIABILITIES AND NET ASSETS	\$ 1,333,164	\$ 70,000	\$ 1,403,164	\$ 1,394,552

APPROVED BY THE DIRECTORS:

 Director

 Director

TOUCHSTONE FAMILY ASSOCIATION
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2022

	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>
NET ASSETS	<u>Internally Restricted (note 4)</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	238,759 \$	368,149 \$	601,868 \$	545,213
Excess of revenues over expenses	\$ -	\$ 5,310	\$ 5,310	\$ 56,655
Balance, end of year	\$ 238,759	\$ 373,459	\$ 607,178	\$ 601,868

**TOUCHSTONE FAMILY ASSOCIATION
NON-CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022**

	2022	2021
	<u>Total</u>	<u>Total</u>
Revenue		
Ministry of Children and Families	\$ 3,971,781	\$ 3,659,300
Grant and other funding (note 8)	265,973	346,112
City of Richmond	105,625	107,941
Community Gaming grant	45,500	35,000
Rent-free facility (note 2F)	45,600	42,000
Donations	74,819	46,544
Richmond Community Foundation	15,185	15,565
Fundraising	57,045	-
Interest and membership income	1,718	2,268
BC Housing	2,100	2,100
	4,585,346	4,256,830
Expenses		
Accounting and legal (note 2I, 11)	8,888	8,804
Amortization	31,752	38,144
Contractors	-	9,161
Insurance	12,459	12,382
Memberships and dues	10,100	8,352
Office expenses (note 2I, 11)	166,528	155,264
Program expenses	78,612	116,062
Promotion and publicity	6,114	7,985
Rent in kind (note 2F)	45,600	42,000
Rent (notes 2I, 9, 11)	221,633	231,073
Repairs and maintenance	10,890	8,373
Salaries and benefits (note 2I, 11, 13)	3,858,042	3,458,710
Staff development and training	37,431	20,278
Telephone and utilities	31,115	29,457
Travel and transportation	60,872	54,130
	4,580,036	4,200,175
Excess revenue over expenses	\$ 5,310	\$ 56,655

TOUCHSTONE FAMILY ASSOCIATION
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from Government Grants	\$ 3,973,881	\$ 3,661,400
Received from other sources	687,394	491,288
Cash paid for expenses	(4,512,336)	(4,087,122)
	148,939	65,566
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(17,019)	(24,219)
INCREASE IN CASH	131,920	41,347
CASH AND CASH EQUIVALENTS, beginning of year	850,166	808,819
CASH AND CASH EQUIVALENTS, end of year	\$ 982,086	\$ 850,166
REPRESENTED BY:		
CASH		
General Fund	\$ 912,086	\$ 804,666
Gaming	70,000	45,500
	\$ 982,086	\$ 850,166

TOUCHSTONE FAMILY ASSOCIATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

1. PURPOSE OF THE ASSOCIATION

The Touchstone Family Association (the "Association") was incorporated under the B.C. Societies Act, in 1983. The Association is a registered charity under the Income Tax Act, and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Society must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The purpose of the Association is to:

- 1) Establish and operate residential and non-residential facilities and services to provide emergency, receiving and assessment services for youths and their families in the City of Richmond and surrounding municipalities. These services include provision of food, clothing, shelter , psychological assessment and counselling;
- 2) To inform the residents of Richmond and surrounding municipalities as to the importance of the services being provided to families and children.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The non-consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

B. Capital assets

Tangible capital assets are recorded at cost less amortization and impairment. The cost for contributed capital assets is considered to be fair value at the date of contribution. Amortization is provided using the following methods at rates intended to amortize the cost of assets over their estimated useful lives.

Computer hardware	Straight-line basis over 3 years
Computer software	Straight-line basis over 1 year
Furniture, fixtures & equipment (Francis house)	Straight-line basis over 5 years
Furniture, fixtures & equipment (Richmond)	Straight-line basis over 10 years
Leasehold improvements	Straight-line basis over 5 year
Vehicles	Declining balance at 30%

TOUCHSTONE FAMILY ASSOCIATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES - continued

C. Impairment of long-lived assets

Capital assets are reviewed for impairment when they no longer contribute to the Association's operations. If impaired, the net carrying amount of the capital asset is written down to its fair value or replacement cost.

D. Cash and restricted cash

Cash consists of balances with banks held for the purpose of meeting short-term cash commitments.

E. Revenue Recognition

Grants, donations, and other contributions to the Association are accounted for under the deferral method. Accordingly, externally restricted contributions are recognized as revenue in the year in which related expenditures are incurred. Contributions for the purchase of capital assets that are amortized are recorded as deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Unrestricted contributions are recognized at the earlier of when received or when collection are presented as deferred revenue.

The Association hosts fundraising activities to supplement its operating revenues to fund the Front Porch program; revenue from such activities are recorded as deferred revenue until future program expenditures are incurred.

F. Donated goods and services

The Association benefits from donated goods and services. Due to the difficulty in determining the fair value of these goods and services, they are only recognized in the non-consolidated financial statements when there is a measurable basis for arriving at a dollar value and when used in the normal course of operations and would otherwise have been purchased.

The Association had the rent-free use of a facility owned by B.C. Housing Management Commission throughout the year for one of the programs. A facility for the program would otherwise have been rented. The fair value for the use of this facility has been reflected as revenue and as an expense in the statement of operations.

G. Use of estimates

The preparation of non-consolidated financial statements in accordance 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 reporting date and the reported amounts of receipts and disbursements for the reporting period. Actual results could differ from these estimates. Significant non-consolidated financial statement items that require the use of estimates are the useful life of capital assets, accrual of expenses (including sick pay), and the revenue and expense related to rent-free use of facility described in note 2F. These estimates are reviewed periodically and adjustments are made, as appropriate, in the non-consolidated statement of operations and changes in fund balances in the year they become known.

TOUCHSTONE FAMILY ASSOCIATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES - continued

H. Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors.

The administration and programs fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources, and internally restricted Board committed funds. Unrestricted funds represent funds that can be used for any purpose. Internally restricted funds represent discretionary funds assigned by the Board to be used for specific facilities, programs and other operational needs.

The gaming fund accounts for the Association's disbursements of funds based on guidelines provided by the Province of British Columbia. Restricted contributions from gaming are reported in this fund.

I. Allocation of expenses

The Association provides intervention and support services to families and children. The costs of each program include the costs of personnel and other expenses directly related to providing the program.

The Association incurs general support expenses that are common to the administration of the Association's programs. The Association allocates its expenses for these programs by identifying an appropriate basis of allocating each component expense, and by applying the basis consistently each year.

General support expenses related to salaries and benefits, and accounting and legal have been allocated between programs based on the percentage of revenue received for each program over total revenue. General support expenses related to office expenses have been allocated between programs based on actual usage of resources in each program. General support expenses related to rent have been allocated between programs based on space used in each program for Restorative Justice and Youth Gang. For the programs Reset Youth, Transition to Independence, Supervised Access, and Family Preservation and Reunification, rent is allocated based on full-time equivalent employees in each program as indicated on the service agreement with the Ministry of Children and Family Development.

Note 11 provides additional disclosure.

J. Controlled not-for-profit organization

The Association follows the accounting recommendations of the Chartered Professional Accountants Canada ("CPA Canada") Handbook Section 4450 to account for its controlled not-for-profit organization. The non-consolidated financial statements are presented on a non-consolidated basis and do not include the assets, liabilities, results of operations and net assets of the Richmond/Delta Family Empowerment Program, as summarized in note 3. Management believes separate note disclosures of this controlled not-for-profit organization provide a more meaningful presentation of the Association's activities.

TOUCHSTONE FAMILY ASSOCIATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES - continued

K. Pension

The Association and its employees participate in the Municipal Pension Plan which is a multi-employer pension plan. The plan is a defined benefit plan but due to the lack of information provided by the plan, it is accounted for as a defined contribution plan in accordance with generally accepted accounting principles. Accordingly, the Association expenses amounts to be contributed as incurred.

3. CONTROLLED ENTITY

Touchstone Family Association has 60% interest in the Richmond/Delta Family Empowerment Program, the other 40% is administered by the Boys and Girls Clubs of South Coast BC. The Association provides operational and staff support to the program and thereby it is able to indirectly control the entity.

Richmond/Delta Family Empowerment Program operates the Community Action Program for Children ("CAPC"). The Association on behalf of the Richmond/Delta Family Empowerment Program signed a contribution agreement with the Federal Minister of Health.

The contributions of \$202,315 were advances from Public Health Agency of Canada to Touchstone Family Association on the program's behalf. The expenditures were \$202,315, of which the Association administers 60% and the Boys and Girls Clubs of South Coast BC administered 40%.

At the end of the fiscal year, the Association had receivables from CAPC in the amount of \$31,381. This is included in CAPC's total liabilities. The receivables are reimbursements of expenses paid by the Association on CAPC's behalf.

The following are the unaudited financial summaries of the unconsolidated entity:

	<u>2022</u>	<u>2021</u>
Statement of Financial Position:		
Total assets	\$ <u>50,250</u>	\$ <u>172,360</u>
Total liabilities	<u>51,268</u>	173,378
Total deficit	<u>(1,018)</u>	<u>(1,018)</u>
Total liabilities and deficit	\$ <u>50,250</u>	\$ <u>172,360</u>
Results of Operations for the year:		
Total revenue	\$ 202,315	\$ 202,315
Total expenses	<u>202,315</u>	<u>202,315</u>
Excess of revenue over expenses	\$ -	\$ -
Cash flows from (used in):		
Operating activities	\$ <u>(122,111)</u>	\$ <u>142,996</u>
Increase (decrease) in cash	\$ <u>(122,111)</u>	\$ <u>142,996</u>

TOUCHSTONE FAMILY ASSOCIATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

4. INTERNALLY RESTRICTED

The Board currently has internally restricted net assets held for the following purposes:

	<u>Beginning Balance</u>	<u>Revenue Recognized</u>	<u>Expenses Incurred</u>	<u>Ending Balance</u>
Expansion of services	\$ <u>238,759</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>238,759</u>

5. CAPITAL ASSETS

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Computer hardware	84,400	70,923	72,652	52,742
Equipment	34,428	16,338	27,257	13,178
Vehicles	80,615	51,893	80,615	39,583
	\$ <u>199,443</u>	\$ <u>139,154</u>	\$ <u>180,524</u>	\$ <u>105,503</u>
		<u>2022</u>		<u>2021</u>
Net Book Value		\$ <u>60,289</u>		\$ <u>75,021</u>

6. PAYROLL LIABILITIES

Consists of:

	<u>2022</u>	<u>2021</u>
Wages payable	\$ 142,551	\$ 98,742
Vacation pay	236,146	244,944
Sick pay accrual (note 2G)*	31,949	28,833
Union dues	-	5,325
	\$ <u>410,646</u>	\$ <u>377,844</u>

* Based on management's professional judgement and expected utilization, only sick pay for employees at the Francis House has been accrued.

TOUCHSTONE FAMILY ASSOCIATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

7. DEFERRED REVENUE

Deferred revenues are revenues received from contributors who have restricted their use for specific operating purposes. Recognition of these amounts as revenue is deferred to periods when the specific expenditures are made. Deferred revenue consists of funds held for the following purposes:

	<u>Beginning Balance</u>	<u>Contributions Received</u>	<u>Revenue Recognized</u>	<u>Ending Balance</u>
Avenues of Change	\$ 9,784	\$ -	\$ (9,784)	\$ -
Early Years	9,638	-	(9,638)	-
Front Porch	212,966	167,688	(197,712)	182,942
Gaming	45,500	70,000	(45,500)	70,000
Pathways of Hope	-	5,697	(1,899)	3,798
Restorative Justice	1,759	-	(925)	834
Youth Gang	7,094	-	(7,094)	-
	<u>\$ 286,741</u>	<u>\$ 243,385</u>	<u>\$ (272,552)</u>	<u>\$ 257,574</u>

8. GRANT AND OTHER FUNDING

Consists of:

	<u>2022</u>	<u>2021</u>
Averbach Family Foundation	\$ -	\$ 6,000
Canada Summer Jobs	15,143	13,653
Civil forfeiture grant	30,000	30,000
The Federation of Community Social Services	16,856	-
Second Harvest	11,500	-
Richmond Family Place	67,690	55,234
United Way	84,784	157,265
Vancouver Community Foundation	-	65,000
Other grants (banks and credit unions)	40,000	24,000
	<u>\$ 265,973</u>	<u>\$ 351,152</u>

9. COMMITMENTS

On September 4, 2019 the Association entered into a 60-month equipment lease, expiring on September 4, 2024. Quarterly payments are \$2,231, plus applicable taxes.

On March 12, 2019, the Association entered into a 10-year office facility lease located in Richmond, expiring on September 30, 2029. Monthly payments are \$21,709.

TOUCHSTONE FAMILY ASSOCIATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

10. ECONOMIC DEPENDENCE

The Association is economically dependent on government funding.

	<u>2022</u>	<u>2021</u>
Federal grants	0.36%	0.35%
Provincial grants	95.01%	95.46%
Municipal grants	<u>2.36%</u>	<u>2.77%</u>
Percent of total revenue	<u>97.73%</u>	<u>98.57%</u>

11. ALLOCATION OF EXPENSES

General support expenses have been allocated to the following programs:

	<u>2022</u>	<u>2021</u>
Francis House	\$ 99,443	\$ 97,862
Reset Youth	68,380	72,759
Transition to Independence	66,040	88,242
Supervised Access	20,412	27,885
Family Preservation & Reunification	430,994	395,248
Restorative Justice	16,620	16,620
Pathways of Hope	11,441	-
Youth Gang	<u>6,708</u>	<u>6,708</u>
	<u>\$ 720,038</u>	<u>\$ 705,324</u>

12. SOCIETIES ACT OF BRITISH COLUMBIA

As part of the disclosure requirements of the Societies Act of British Columbia, the Association reports it had 14 employees (2021 - 11 employees) who earned in excess of \$75,000. Total remuneration to these employees was \$1,261,703 (2021 - \$998,516).

13. EMPLOYEES' PENSION PLAN AND RETIREMENT BENEFIT

The Association and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 220,321 active members. Active members include approximately 50 contributors from the Touchstone Family Association.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of the Plan funding. The report is released at the end of September. The most recent actuarial valuation as at December 31, 2018 reported assets of \$58,526,162 and liabilities of \$55,659,718. The Association paid \$258,804 (2021 - \$222,670), which is included in salaries and benefits in the non-consolidated statement of operations.

TOUCHSTONE FAMILY ASSOCIATION
NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2022

14. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of accounts receivable, and accounts payable. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant credit, interest rate, liquidity risks, or other price risks arising from these financial instruments.

The Association is exposed to financial risk that arises from the fluctuation in interest rates, and in the credit quality of its clients.

Credit risk

The Association's credit risk consists principally of cash, restricted cash, and accounts receivable. The Association maintains cash, and restricted cash with reputable and major financial institutions to limit credit risk exposure. The credit risk from counter parties not paying accounts receivable is not considered to be significant and accordingly, management has determined there is no requirement for an allowance for doubtful accounts.

Interest rate risk

The Association is exposed to interest rate risk with respect to the following financial instruments: cash and restricted cash. Changes in interest rates can affect the fair value of investments and the cash flows related to interest income and expense.

Liquidity risk

The Association is exposed to liquidity risk in meeting its obligations associated with financial liabilities, which is dependent on receipt of funds from service agencies and donors.

Touchstone Family Association
Statement of Income for MCFD

Thursday, March 31, 2022

	Francis House	Family preservation and re-unification	Pathways to Hope	TOTAL MCFD
REVENUE				
Income				
Contract Income-MCFD	950,206	2,883,557	138,018	3,971,781
BC Housing Income	2,100	-	-	2,100
Grant Income	5,617	47,882	-	53,499
Donations and other income	-	37,776	-	37,776
TOTAL REVENUE	957,923	2,969,215	138,018	4,065,155
EXPENSE				
Payroll & contractors expense				
Total Payroll Expense	782,460	2,173,610	99,311	3,055,381
General & Administrative Expenses				
Client Support	35,540	27,128	-	62,668
Transportation	17,490	43,268	-	60,758
Program Support	9,669	66,777	2,410	78,856
Program Administrative Support	19,595	179,423	5,191	204,209
Facilities Expenses	11,498	203,906	6,250	221,654
Administrative Expenses	88,813	270,472	14,370	373,655
Total General & Admin Expense	182,605	790,974	28,220	1,001,799
TOTAL EXPENSE	965,065	2,964,583	127,531	4,057,180
NET INCOME	(7,143)	4,631	10,487	7,976

**Touchstone Family Association
Statement of Income for MCFD**

Thursday, March 31, 2022

	<u>MCFD Programs</u>	<u>Non MCFD</u>	<u>Total</u>
REVENUE			
Income			
Contract Income-MCFD	3,971,781	-	3,971,781
Grant Income	53,499	363,599	417,098
Fundraising Income	-	57,045	57,045
BC Housing Income	2,100	-	2,100
Richmond Community Foundation	-	15,185	15,185
Donations and other income	37,776	84,362	122,138
TOTAL REVENUE	<u>4,065,155</u>	<u>520,191</u>	<u>4,585,346</u>
EXPENSE			
Payroll & contractors expense			
Total Payroll Expense	<u>3,055,381</u>	<u>416,331</u>	<u>3,471,712</u>
General & Administrative Expenses			
Client Support	62,668	12,041	74,709
Transportation	60,758	115	60,872
Program Support	78,856	2,845	81,701
Program Administrative Support	204,209	4	204,213
Facilities Expenses	221,654	68,928	290,582
Administrative Expenses	373,655	22,593	396,248
Total General & Admin Expense	<u>1,001,799</u>	<u>106,526</u>	<u>1,108,325</u>
TOTAL EXPENSE	<u>4,057,180</u>	<u>522,857</u>	<u>4,580,037</u>
NET INCOME	<u>7,976</u>	<u>(2,666)</u>	<u>5,310</u>