

**FINANCIAL STATEMENTS**

**TOUCHSTONE FAMILY  
ASSOCIATION**

**March 31, 2025**

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Touchstone Family Association**

## ***Qualified Opinion***

We have audited the financial statements of Touchstone Family Association (the "Association"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and 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 the report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2025, 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.

## ***Basis for Qualified Opinion***

In common with many not-for-profit organizations, the Association derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues, and cash flows from operations for the year ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years.

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 Non-Consolidated 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 statement in Canada, and we have fulfilled our 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.

## ***Responsibilities of Management and Those Charged with Governance for the Non-Consolidated 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.

## ***Auditor's Responsibilities for the Audit of the Non-Consolidated 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 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 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.

## INDEPENDENT AUDITOR'S REPORT

- 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 the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Vancouver, Canada  
Date of board approval

Chartered Professional Accountants

DRAFT

**Touchstone Family Association**

**STATEMENT OF FINANCIAL POSITION**

As at March 31

	2025	2024
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	323,617	296,159
Investments <i>[note 3]</i>	1,165,364	1,238,759
Accounts receivable <i>[note 4]</i>	379,098	275,729
Prepaid expenses	18,939	13,188
	<b>1,887,018</b>	1,823,835
Security deposit	22,550	22,550
Capital assets <i>[note 5]</i>	21,217	43,812
	<b>1,930,785</b>	1,890,197
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities <i>[note 6]</i>	770,661	671,983
Deferred revenue <i>[note 7]</i>	558,695	516,047
<b>Total liabilities</b>	<b>1,329,356</b>	1,188,030
<b>NET ASSETS</b>	<b>601,429</b>	702,167
	<b>1,930,785</b>	1,890,197

Commitments *[note 10]*

*See accompanying notes to the financial statements*

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director



**Touchstone Family Association**

**STATEMENT OF OPERATIONS**

Year ended March 31

	2025 \$	2024 \$
<b>REVENUE</b>		
Ministry of Children and Family Development <i>[note 9]</i>	5,150,608	5,351,200
Grants <i>[note 7]</i>	1,297,722	923,578
Donations and fundraising	82,683	71,753
Rent-free facility <i>[note 2]</i>	48,000	48,000
Interest, membership and other	29,165	23,418
Richmond Community Foundation <i>[note 12]</i>	8,181	16,188
BC Housing	2,100	2,100
Amortization of deferred contributions related to capital assets	—	1,899
	<b>6,618,459</b>	<b>6,438,136</b>
<b>EXPENSES</b>		
Salaries and benefits <i>[note 14]</i>	5,622,767	5,207,522
Rent	378,313	295,200
Office and miscellaneous <i>[note 14]</i>	222,167	321,840
Program expenses	181,351	174,814
Travel and transportation	72,644	72,278
Staff development and training	54,568	67,292
Rent-free facility <i>[note 2]</i>	48,000	48,000
Telephone and utilities	32,957	39,433
Repairs and maintenance	28,301	49,997
Insurance	27,987	22,508
Amortization of capital assets	22,595	28,528
Professional fees	11,569	11,800
Membership and dues	10,309	8,777
Promotion and publicity	5,669	14,759
	<b>6,719,197</b>	<b>6,362,748</b>
<b>Excess of revenues (expenses) for the year</b>	<b>(100,738)</b>	<b>75,388</b>

*See accompanying notes to the financial statements*

**Touchstone Family Association**

**STATEMENT OF CASH FLOWS**

Year ended March 31

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues (expenses) for the year	<b>(100,738)</b>	75,388
Items not affecting cash		
Amortization of capital assets	<b>22,595</b>	28,528
Amortization of deferred contributions related to capital assets	—	(1,899)
Changes in other non-cash working capital items		
Accounts receivable	<b>(103,369)</b>	(210,912)
Prepaid expenses	<b>(5,751)</b>	5,993
Accounts payable and accrued liabilities	<b>98,678</b>	147,962
Deferred revenue	<b>42,648</b>	81,619
<b>Cash provided by (used in) operating activities</b>	<b>(45,937)</b>	126,679
<b>INVESTING ACTIVITIES</b>		
Purchase (redemption) of investments, net	<b>73,395</b>	(400,000)
<b>Cash provided by (used in) investing activities</b>	<b>73,395</b>	(400,000)
<b>Increase (decrease) in cash and equivalents</b>	<b>27,458</b>	(273,321)
Cash, beginning of year	<b>296,159</b>	569,480
<b>Cash, end of year</b>	<b>323,617</b>	296,159

*See accompanying notes to the financial statements*

## **NOTES TO FINANCIAL STATEMENTS**

March 31, 2025

### **1. PURPOSE OF THE ASSOCIATION**

The Touchstone Family Association (the "Association") was incorporated under the British Columbia 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**

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 useful lives of capital assets, sick pay accrual, the allocation of expenses to various programs, and the revenue and expense related to the rent-free use of facility described in note 2. Actual results could differ from these estimates.

#### **Revenue Recognition**

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets are deferred and amortized over the remaining useful life of the capital asset acquired. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue is recognized as revenue is earned.

## **NOTES TO FINANCIAL STATEMENTS**

March 31, 2025

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **Revenue Recognition (Cont'd)**

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.

#### **Measurement of Financial Instruments**

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

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

#### **Capital Assets**

Capital assets are recorded at cost. Amortization is provided as follows:

- |                                                     |                          |
|-----------------------------------------------------|--------------------------|
| ▪ Computer hardware                                 | 3 years - straight line  |
| ▪ Furniture, fixtures and equipment (Francis House) | 5 years - straight line  |
| ▪ Furniture, fixtures and equipment (Richmond)      | 10 years - straight line |
| ▪ Leasehold improvements                            | 5 years - straight line  |
| ▪ Vehicles                                          | 30% - declining balance  |

#### **Donated Services**

The Association recognizes contributions of goods and services when a fair market value can be reasonably estimated and when the donated goods or services would otherwise have been purchased for use in the normal course of operations.

Volunteer contribute their time to assist the Association in carrying out its activities. Due to the difficulty in determining the fair value of such services their value is not recognized in these financial statements.

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.

#### **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.

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2025

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Allocation of Expenses (Cont'd)**

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.

**Pension Plan**

The Association and its employees contribute to the Municipal Pension Plan of British Columbia, a multi-employer defined benefit pension plan. Defined contribution plan accounting is applied to multi-employer defined benefit plans and accordingly, pension contributions are expensed as the actuary does not attribute portions of the unfunded liability, if any, to individual employers.

**3. INVESTMENTS**

	2025	2024
	\$	\$
Term deposits	1,165,364	1,238,759

Interest rates on term deposits range from 3.95% to 5.15% [2024 - 5.40% to 6.00%] and have maturity dates ranging from April 2025 to December 2025. Term deposits are reported at cost.

**4. ACCOUNTS RECEIVABLE**

	2025	2024
	\$	\$
Operations	354,855	214,244
Richmond/Delta Family Empowerment Program	14,583	49,308
GST receivable	9,660	12,177
	379,098	275,729
Allowance for doubtful accounts	—	—
	379,098	275,729

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2025

**5. CAPITAL ASSETS**

	Cost \$	Accumulated Amortization \$	Net Book Value \$
<b>2025</b>			
Computer hardware	131,346	131,346	—
Furniture, fixtures and equipment (Francis House)	6,572	2,629	3,943
Furniture, fixtures and equipment (Richmond)	27,257	21,292	5,965
Leasehold improvements	2,550	1,093	1,457
Vehicles	80,615	70,763	9,852
	<b>248,340</b>	<b>227,123</b>	<b>21,217</b>
<b>2024</b>			
Computer hardware	131,346	115,696	15,650
Furniture, fixtures and equipment (Francis House)	6,572	1,972	4,600
Furniture, fixtures and equipment (Richmond)	27,257	19,591	7,666
Leasehold improvements	2,550	728	1,822
Vehicles	80,615	66,541	14,074
	<b>248,340</b>	<b>204,528</b>	<b>43,812</b>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2025 \$	2024 \$
Operations	33,373	55,328
Wages payable	201,480	92,961
Vacation pay	306,145	316,596
Sick pay accrual	53,366	50,861
Government remittances - payroll remittances	176,297	156,237
	<b>770,661</b>	<b>671,983</b>

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

7. DEFERRED REVENUE

Deferred revenues are amounts 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:

	Balance, Beginning of Year \$	Amounts Received \$	Revenue Earned \$	Balance, End of Year \$
<b>2025</b>				
Community Action Program for Children	—	121,389	121,389	—
Canada Summer Grant	—	16,874	16,874	—
City of Richmond	5,000	588,535	593,535	—
Early Years	—	82,210	82,210	—
United Way	42,643	131,750	148,893	25,500
Gaming	77,000	77,000	77,000	77,000
Civil Forfeiture	—	80,000	80,000	—
Others	18,182	45,137	—	63,319
Restorative Justice	—	104,700	104,700	—
Royal Bank of Canada	—	20,000	13,330	6,670
Community Prosperity Fund	—	43,864	6,675	37,189
Vancouver Coastal Health	198,013	—	53,116	144,897
Total grants	340,838	1,311,459	1,297,722	354,575
Other:				
Tea Cup Fundraising	175,209	33,661	4,750	204,120
	516,047	1,345,120	1,302,472	558,695
<b>2024</b>				
Canada Summer Grant	—	15,647	15,647	—
City of Richmond	—	405,305	400,305	5,000
Early Years	—	66,633	66,633	—
United Way	19,500	165,000	141,857	42,643
Gaming	77,000	77,000	77,000	77,000
Ministry of Public Safety and Solicitor General	—	80,000	80,000	—
Other	—	18,876	694	18,182
Restorative Justice	—	104,700	104,700	—
Royal Bank of Canada	—	25,000	25,000	—
Vancouver Coastal Health	200,000	9,755	11,742	198,013
Total grants	296,500	967,916	923,578	340,838
Other:				
Pathways to Hope	1,899	—	1,899	—
Tea Cup Fundraising	137,928	37,281	—	175,209
	436,327	1,005,197	925,477	516,047

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2025

**7. DEFERRED REVENUE (CONT'D)**

Net proceeds from gaming funds are as follows:

	2025	2024
	\$	\$
Deferred, beginning of the year	77,000	77,000
Received during the year	77,000	77,000
Recognized as revenue during the year	(77,000)	(77,000)
Deferred, end of the year	77,000	77,000

\$77,000 of gaming funds received in the year is for the next fiscal year and makes up part of the \$558,695 deferred balance.

**8. INTERNALLY RESTRICTED NET ASSETS**

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

	Balance, Beginning of Year	Designated in the Year	Reduced in the Year	Balance, End of Year
	\$	\$	\$	\$
Expansion of services	238,759	—	—	238,759

**9. ECONOMIC DEPENDENCE**

Ministry of Children and Family Development ("MCFD") provided 79% [2024 - 83%] of the Association's revenues. As a result, the Association is economically dependent on MCFD for the funding required to deliver its services and programs.

**10. COMMITMENTS**

On March 12, 2019, the Association entered into a 10-year office facility lease located in Richmond, expiring on September 30, 2029. The original lease was amended on July 19, 2023 to increase the leasable area of the original premises. The minimum lease payments over the next five years are as follows:

	\$
2026	169,441
2027	169,441
2028	169,441
2029	169,441
2030	84,720
	<b>762,484</b>

## **NOTES TO FINANCIAL STATEMENTS**

March 31, 2025

### **11. PENSION PLAN**

The Association and its employees contribute to the Municipal Pension Plan of British Columbia ("MPP"), a multi-employer defined benefit pension plan.

Employer contributions to the MPP of \$335,342 [2024 - \$323,099] were expensed during the year. Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation for the plan at December 31, 2021 indicated the plan is fully funded. The plan covers approximately 470,000 members, of which approximately 46 are employees of the Society.

### **12. RICHMOND COMMUNITY FOUNDATION - ENDOWMENT FUND**

The Richmond Community Foundation administers the Touchstone Family Association Permanent Agency Endowment Fund. The market value of these funds according to the most recent statement at December 31, 2024 is \$454,299 [December 31, 2023 - \$394,172]. As the Association has the right to receive only the investment income earned on these funds and has no access to the capital in the funds held by the Richmond Community Foundation, the Association's financial statements do not reflect this amount as an asset.

### **13. FINANCIAL INSTRUMENTS**

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to following risks as at March 31, 2025:

#### **Credit Risk**

The Association is exposed to credit risk with respect to its cash and accounts receivable. The Association 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 and investments are held by reputable Canadian credit unions.

#### **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 Association 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, 2025

**13. FINANCIAL INSTRUMENTS (CONT'D)**

**Interest Rate Risk**

The Association is exposed to interest rate risk on its term deposits. Fixed-rate instruments subject the Association to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Society is exposed to this type of risk as a result of investments in term deposits.

**14. DISCLOSURE OF REMUNERATION**

Pursuant to the British Columbia Societies Act, the Association is required to disclose remuneration and benefits paid to employees and contractors who are paid \$75,000 or more during the fiscal year. No remuneration was paid to any members of the Board.

Salaries and benefits expense includes \$3,114,262 [2024 - \$2,887,821] paid to the thirty-one [2024 – twenty-nine] highest compensated employees in the year.

Office and miscellaneous expense includes \$137,963 [2024 - \$127,576] paid to one contractor [2024 - one contractor] for IT consulting services in the year.

**STATEMENT OF INCOME FOR MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT**

Year ended March 31, 2025

	Francis House \$	Family Preservation and Reunification \$	Pathways to Hope \$	Total MCFD Funded \$	Non-MCFD Funded \$	Total \$
<b>REVENUE</b>						
Ministry of Children and Family Development	1,218,580	3,526,852	405,175	5,150,607	—	5,150,607
BC Housing	2,100	—	—	2,100	—	2,100
Grants	5,638	11,236	—	16,874	1,280,848	1,297,722
Donations and fundraising	—	746	—	746	81,937	82,683
Interest and other	—	—	—	—	85,347	85,347
	<b>1,226,318</b>	<b>3,538,834</b>	<b>405,175</b>	<b>5,170,327</b>	<b>1,448,132</b>	<b>6,618,459</b>
<b>EXPENSES</b>						
Total payroll expense	1,024,990	2,678,442	356,131	4,059,563	1,122,212	5,181,775
Client support	35,466	30,348	926	66,740	103,521	170,261
Transportation	19,887	35,811	2,677	58,375	11,209	69,584
Program support	10,958	49,568	2,585	63,111	45,917	109,028
Administrative support	17,282	188,200	9,000	214,482	33,443	247,925
Facilities expenses	10,140	322,629	15,000	347,769	112,543	460,312
Administrative expenses	106,248	302,215	40,200	448,663	31,649	480,312
Total general and administrative	199,981	928,771	70,388	1,199,140	338,282	1,537,422
	<b>1,224,971</b>	<b>3,607,213</b>	<b>426,519</b>	<b>5,258,703</b>	<b>1,460,494</b>	<b>6,719,197</b>
<b>Excess of revenues (expenses) for the year</b>	<b>1,347</b>	<b>(68,379)</b>	<b>(21,344)</b>	<b>(88,376)</b>	<b>(12,362)</b>	<b>(100,738)</b>

See accompanying notes to the financial statements