

Victoria Rainbow Kitchen Society
Statement of Financial Position
As at March 31, 2017
(unaudited)

	<u>2017</u>	<u>2016</u>
ASSETS		
Operating Cash	\$ 125,169	\$ 42,483
Restricted Cash (note 3)	15,000	72,987
Community Gaming Grant Cash (note 4)	10,000	10,004
	<u>150,169</u>	<u>125,474</u>
Accounts Receivable (note 5)	902	1,673
Prepaid Expense (note 6)	2,500	2,500
	<u>\$ 153,571</u>	<u>\$ 129,647</u>
LIABILITIES		
Accounts Payable	\$ 1,608	\$ 1,499
Deferred Community Gaming Grant (note 7)	10,000	10,004
Deferred Victoria Foundation Grant (note 8)	15,000	-
Deferred Township of Esquimalt Grant (note 9)	5,000	-
Deferred Radical Renovation Fund (note 10)	-	28,195
Other Deferred Revenue (note 11)	7,548	7,005
	<u>39,156</u>	<u>46,703</u>
NET ASSETS		
Internally Restricted (note 12)	15,000	46,000
Unrestricted	99,415	36,944
	<u>114,415</u>	<u>82,944</u>
	<u>\$ 153,571</u>	<u>\$ 129,647</u>

The accompanying notes are an integral part of these financial statement

Signed on behalf of the Board of Directors

Julie Wright, President

Deborah Hunt, CPA CA, Treasurer

Victoria Rainbow Kitchen Society
Statement of Operations
for the year ending March 31, 2017
(unaudited)

	<u>2017</u>	<u>2016</u>
REVENUE		
Donations (note 13)	\$ 74,239	\$ 72,821
Fundraising (note 14)	10,470	10,121
Grants (note 15)	59,504	35,000
TOTAL REVENUE	<u>144,213</u>	<u>117,942</u>
EXPENSES		
Salary & Bennisfits	35,558	30,822
Rent & Utilities	31,500	30,000
Groceries & Supplies	10,735	20,951
Janitorial	9,618	9,251
Garbage	7,656	5,180
Liability Insurance (note 16)	3,344	3,100
Renovations	1,898	1,755
Repair & Maintenance	2,856	2,541
Van Insurance	1,332	1,373
Office, Postage, Newsletters & Brochures	1,248	783
Telephone	1,101	995
Honorarium	1,000	800
Van Operating Expenses, including Gas	1,050	553
Equipment Purchases & installation (note 2b)	2,321	2,148
Garden	475	5
Membership	295	340
Volunteer Appreciation	240	1,071
FoodSafe Training	438	-
Bank Charges, net of Earned Interest	77	117
Fundraising Expenses	-	365
TOTAL OPERATING EXPENSES	<u>112,742</u>	<u>112,150</u>
NET REVENUES IN EXCESS OF EXPENSES before extraordinary item	\$ 31,471	\$ 5,792
Radical Renovations fundraising revenue (note 10)	33,603	15,000
less Radical Renovations expenses (note 10)	<u>33,603</u>	<u>15,000</u>
NET REVENUES IN EXCESS OF EXPENSES after extraordinary item	<u>\$ 31,471</u>	<u>\$ 5,792</u>

The accompanying notes are an integral part of these financial statements

Victoria Rainbow Kitchen Society
Statement of Changes in Net Assets
For the year ending March 31, 2017
(unaudited)

	<u>Internally Restricted Net Assets</u> (note 12)	<u>Unrestricted Net Assets</u>	<u>2017</u>	<u>2016</u>
Balance beginning of year	\$ 46,000	\$ 36,944	\$ 82,944	\$ 77,152
Excess of revenues over expenses	-	31,471	31,471	5,792
Transfer from internally restricted net asset (note 12)	(31,000)	31,000	-	-
Balance, end of year	<u>\$ 15,000</u>	<u>\$ 99,415</u>	<u>\$ 114,415</u>	<u>\$ 82,944</u>

The accompanying notes are an integral part of these financial statements

Victoria Rainbow Kitchen Society
Notes to the Financial Statements
For the year ending March 31, 2017
(unaudited)

Note 1: Incorporation and Charity Status:

Victoria Rainbow Kitchen Society was incorporated under the Society Act in the Province of British Columbia effective March 26, 2010. Prior to its incorporation, the Rainbow Kitchen was operated under the auspices of St. Saviour's Anglican Church until March 31, 2010 when the Church was disestablished.

Victoria Rainbow Kitchen Society was designated as a Charitable Organization under the Income Tax Act of Canada effective November 25, 2010. The Society is a not-for-profit organization whose charitable purpose is to relieve poverty by operating a soup kitchen for the benefit of the poor. It serves a free noon time meal, Monday through Friday all year round, prepared by volunteers.

Note 2: Significant Accounting Policies:

a) General:

These financial statements were prepared following a modified cash method of accounting. All revenues and expenses are recorded in the fiscal year in which the related goods and services were received or rendered.

b) Capital Assets:

The value of gifts in kind of equipment, such as stoves, refrigerators and freezers, are not recorded in these financial statements. Equipment purchased with donated funds are expensed in the year purchased and are not carried on the Society's Statement of Financial Position as capital assets.

Effective January 1, 2012, the Rainbow Kitchen operates out of the Church Hall and Kitchen of the Esquimalt United Church, 500 Admirals Road, Esquimalt, BC, V9A 2N4. The tables and chairs used by the Rainbow Kitchen, along with leasehold improvements and renovations undertaken by the Rainbow Kitchen, are the property of the Church. All equipment such as fridges, stoves, dishwasher, coffee makers, and cooking utensils used in the kitchen are property of the Rainbow Kitchen, along with all plates, bowls, mugs, and cutlery used to serve the guests of the Rainbow Kitchen.

Note 3: Restricted Cash

	<u>2017</u>	<u>2016</u>
Human Resources Savings Account	\$ 15,000	\$ 15,000
Radical Renovation Savings Account	-	57,986
	<u>\$ 15,000</u>	<u>\$ 72,986</u>

Restricted Human Resources savings account: The Board internally restricted \$15,000 of net assets, with a corresponding separate savings account, to provide up to six months of future salary and benefits costs (see also note 12).

Restricted Radical Renovation savings account: During the prior year, the Board internally restricted \$31,000 of net assets (retained earnings from prior years' surplus) to be available for use for this Radical Renovation (see note 12). This restricted amount, plus the balance of the Deferred Radical Renovation Fund at March 31, 2016 (see note 10) made up the balance in the Radical Renovations

Victoria Rainbow Kitchen Society
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savings account. The renovation was completed in October 2016, the funds previously held in the Radical Renovation Fund were realized as revenue and spent, and the unused internally restricted net assets were unrestricted, leaving a zero balance in the Restricted Radical Renovation Savings account at March 31, 2017.

Note 4: Community Gaming Cash

Under the terms of the Community Gaming Grant, the Society maintains a separate bank account for these funds.

Note 5: Accounts Receivable

	<u>2017</u>	<u>2016</u>
GST rebate	\$ 902	\$ 465
Fundraising proceeds	-	<u>1,208</u>
	<u>\$ 902</u>	<u>\$ 1,673</u>

As a Canadian Registered Charity, the Society is entitled to a rebate of 50% of the GST it paid on purchases during the year, which it applies for and receives after the year end.

In the prior year, the Rainbow Kitchen and Esquimalt United Church put on a joint fundraising event in March 2016, with proceeds managed by the Church. The Rainbow Kitchen's share of the proceeds was received in April 2016.

Note 6: Prepaid Expenses

	<u>2017</u>	<u>2016</u>
Prepaid Rent	\$ 2,500	\$ 2,500

Note 7: Deferred Gaming Commission Grant

In March 2017, the Society received a \$10,000 Community Gaming Grant, which will be used in fiscal 2017/18. Under the terms of the grant, the funds may be used to help pay for food, rent and other costs essential for the delivery of nutritious meals. In March 2016, the Society received a \$10,000 Community Gaming Grant that was used in fiscal 2016/17.

Note 8: Deferred Victoria Foundation Grant

In November 2016, the Society received a \$15,000 grant from the Victoria Foundation which will be used in fiscal 2017/18 to help pay for day to day operations.

Note 9: Deferred Township of Esquimalt Grant

In March 2017, the Society received a \$5,000 grant from the Township of Esquimalt which will be used in fiscal 2017/18 to help pay for day to day operations.

Note 10: Radical Renovation Fund

In September 2015, HeroWork selected the Rainbow Kitchen located at Esquimalt United Church as its 2016 major project. HeroWork is a registered charity that renovates buildings owned by charities

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through events called **Radical Community Renovations** (which are akin to modern-day versions of old-fashioned barn-raising) that involve many people and companies coming together in cooperation and common vision to renew physical charitable infrastructure in a very short period of time.

The renovation was completed in three consecutive weekends in September/October 2016, and included roof repairs, new windows and floor coverings, adding a wheelchair accessible bathroom, landscaping, repainted interior and exterior, significant upgrades to the kitchen, and more

During the prior year, donations received and fundraising results specifically undertaken to support this renovation were held in a Deferred Radical Renovation Fund. During the current year, these funds were recorded as Revenue to cover related Radical Renovation expenses.

Note 11: Other Deferred Revenue

	<u>2017</u>	<u>2016</u>
Fortis Education Grant	\$ 2,292	\$ 2,730
ViSalus Community Challenge	3,691	4,275
Protein Food Fund	1,565	-
	<u>\$ 7,518</u>	<u>\$ 7,005</u>

Fortis Education Grant: In January 2014, the Society received a grant of \$3,000 from Fortis for on-going education and support for the Rainbow Kitchen volunteers and guests. This grant is being used for training programs such as FoodSafe and First Aid.

ViSalus Community Challenge: During 2012/13, the Society received a donation to be used specifically to purchase a protein shake product to be distributed to guests under the manufacturer's "ViSalus Community Challenge" initiative. The Rainbow Kitchen also received some free product from this same company and from a private donor which was distributed to guests.

Protein Food Fund: During 2016/17, the Society received a donation of \$3,000 to be used specifically to purchase protein, such as meat, chicken and fish.

Note 12: Internally Restricted Net Assets

	<u>2017</u>	<u>2016</u>
Human Resources	\$ 15,000	\$ 15,000
Radical Renovation	-	31,000
	<u>\$ 15,000</u>	<u>\$ 46,000</u>

Human Resources: The Board of Directors approved the appropriation of \$15,000 to an internally restricted Human Resources Fund to provide up to six months of future salary and benefit costs, and have transferred this amount to a separate savings bank account (see also note 3). The purpose of the Fund is to ensure the Society has sufficient funds on hand to meet its short-term Canada Revenue Agency and employee obligations.

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Radical Renovation: During fiscal 2015/16, the Board of Directors approved the appropriation \$31,000 to an internally restricted Radical Renovation Fund to be available for its share of the costs of the Radical Renovation in the Fall of 2016 (see also note 3 and note 10).

Note 13: Donations:

The donations recorded in these financial statements represents cash donations only. The value of gift-in-kind contributions are not recorded in these financial statements (see also note 2b). The Society receives the vast majority of its food from a number of very generous businesses whose regular contributions of meat, vegetables and bread make it possible for the Rainbow Kitchen's volunteers to prepare and serve tasty nutritious meals to our guests, 5 days a week, 50 weeks a year.

Note 14: Fundraising

Root Cellar Till Campaign	\$ 6,186	\$ 3,512
Shredding Event	-	4,369
Other Fundraising	4,284	2,240
	<u>\$ 10,470</u>	<u>10,121</u>

Note 15: Grants

	<u>2017</u>	<u>2016</u>
United Way	\$ 25,000	\$ 15,000
Fortis	15,000	-
Community Gaming Grant	10,004	10,000
Township of Esquimalt	7,500	10,000
Victoria Foundation	1,250	-
Other Grants	750	-
	<u>\$ 59,504</u>	<u>\$ 35,000</u>

Note 16: Insurance

The Society carries \$4 million Directors and Officers Liability Insurance and \$4 million General Liability Insurance. It also carries Volunteer Accidental Death and Dismemberment coverage for volunteers while they are engaged in volunteer activities at or on behalf of the Rainbow Kitchen.

Note 17: Comparative amounts

Comparative amounts have been adjusted to conform to changes in the current year presentation.