

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Financial Statements

Year Ended March 31, 2021

NORTH SHORE COMMUNITY RESOURCES SOCIETY

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Year Ended March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of North Shore Community Resources Society

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of North Shore Community Resources Society (the Society), which comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures, 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 our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations and fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation of 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 Society in accordance with 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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Members of North Shore Community Resources Society *(continued)*

Auditor's 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 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 Society'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 Society'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 Society 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 Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Vancouver, BC

June 22, 2021



CHARTERED PROFESSIONAL ACCOUNTANTS

NORTH SHORE COMMUNITY RESOURCES SOCIETY

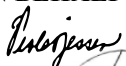

Statement of Financial Position

March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 131,030	\$ 371,891
Term deposits <i>(Note 4)</i>	738,382	524,627
Amounts receivable	9,049	35,803
Goods and services tax recoverable	6,169	11,155
Prepaid expenses	13,187	8,905
	897,817	952,381
Tangible capital assets <i>(Note 5)</i>	27,699	36,160
	\$ 925,516	\$ 988,541
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities <i>(Note 6)</i>	\$ 102,936	\$ 160,383
Deferred contributions <i>(Note 7)</i>	300,645	302,663
	403,581	463,046
Deferred capital contributions	9,232	13,444
	412,813	476,490
 NET ASSETS		
Unrestricted	99,723	99,071
Internally restricted <i>(Note 8)</i>	412,980	412,980
	512,703	512,051
	\$ 925,516	\$ 988,541

Impact of COVID-19 *(Note 2)*

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

See notes to financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Statement of Revenues and Expenditures

Year Ended March 31, 2021

	2021	2020
REVENUES		
Government funding		
Federal government	\$ 332,011	\$ 268,313
Provincial government <i>(Note 10)</i>	713,991	681,306
Municipal government <i>(Note 10)</i>	134,042	124,515
United Way of the Lower Mainland	431,433	356,247
Law Foundation of B.C. and other grants	243,932	213,858
B.C. Community Gaming Grant	55,000	55,000
Donations and fundraising	80,325	84,530
Interest and other income	26,777	24,117
Fees, subscriptions and memberships	38,707	72,035
	<u>2,056,218</u>	<u>1,879,921</u>
EXPENDITURES		
Salaries and wages	1,304,415	1,127,327
Inter-agency transfers	290,257	243,882
Program expenses	174,951	213,822
Occupancy costs	57,044	59,008
Consulting fees	47,831	18,246
Office expenses	42,113	43,435
Computer expenses	39,149	62,698
Professional fees	34,193	43,880
Facilities and maintenance	34,168	33,734
Telephone	9,437	9,508
Amortization	8,459	11,232
Travel	7,771	20,474
Insurance	5,778	6,606
	<u>2,055,566</u>	<u>1,893,852</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 652</u>	<u>\$ (13,931)</u>

See notes to financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Statement of Changes in Net Assets

Year Ended March 31, 2021

	Unrestricted	Internally restricted	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 99,071	\$ 412,980	\$ 512,051	\$ 525,982
Excess of revenues over expenditures	652	-	652	(13,931)
NET ASSETS - END OF YEAR	<u>\$ 99,723</u>	<u>\$ 412,980</u>	<u>\$ 512,703</u>	<u>\$ 512,051</u>

See notes to financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Statement of Cash Flows
Year Ended March 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 652	\$ (13,931)
Items not affecting cash:		
Amortization of tangible capital assets	8,459	11,232
Amortization of deferred capital contributions	<u>(4,212)</u>	<u>(4,049)</u>
	<u>4,899</u>	<u>(6,748)</u>
Changes in non-cash working capital:		
Amounts receivable	26,754	3,897
Goods and services tax payable	4,986	(6,727)
Prepaid expenses	(4,282)	(2,178)
Accounts payable and accrued liabilities	(57,445)	63,742
Deferred contributions	<u>(2,018)</u>	<u>135,192</u>
	<u>(32,005)</u>	<u>193,926</u>
Cash flow from (used by) operating activities	<u>(27,106)</u>	<u>187,178</u>
INVESTING ACTIVITIES		
Investment in term deposits	(738,382)	(7,828)
Maturity of term deposits	<u>524,627</u>	<u>-</u>
Cash flow used by investing activities	<u>(213,755)</u>	<u>(7,828)</u>
INCREASE (DECREASE) IN CASH FLOW	(240,861)	179,350
Cash - beginning of year	<u>371,891</u>	<u>192,541</u>
CASH - END OF YEAR	\$ 131,030	\$ 371,891
CASH CONSISTS OF:		
Cash	<u>\$ 131,030</u>	<u>\$ 371,891</u>

See notes to financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

1. NATURE OF OPERATIONS

North Shore Community Resources Society (the "Society") was incorporated provincially under the Society Act of British Columbia in 1983 originally under the name North Shore Information and Volunteer Centre Society. The Society is a registered charity and accordingly is not subject to income taxes under the Income Tax Act of Canada. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society's mission is to enhance well-being, social connections, empowerment and community participation through the design and delivery of programs and services for the North Shore. The Society has five program areas: Child and Parent; Community Services, Volunteers, Seniors and Community Legal Services. For more information about NSCR, visit www.nscr.ca.

2. IMPACT OF COVID-19

In March of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact on the general community. Given the Society's mandate and programs, the Society has played an important role in responding to the pandemic by continuing to provide essential services to community members. The pandemic and its impact has had significant impacts on the operations of the Society in terms of adapting and adjusting services and programs, the Society's workplace and work flow and organizational finances. While these impacts have been significant, they have not, for the most part, resulted in net negative impacts for the delivery of services and programs or on the short term financial health of the Society.

As of March 31, 2021, the Society received additional funding of \$30,000 (2020 - \$141,750) COVID-19 grant from the United Way of the Lower Mainland under the Better at Home Program. The United Way the Lower Mainland allowed the Society to carry forward 100% of funding received in the current fiscal period to the next year due to the impacts of COVID-19. As such \$180,331 of funding received from the United Way of the Lower Mainland has been carried forward and is included in deferred contributions to offset related expenditures to be incurred in the 2022 fiscal year. The Society received an additional \$20,000 top up grant under the New Horizons for Seniors Program. All of the funding was recognized as revenue in the 2021 fiscal period.

In addition, the Society applied for the 10% temporary wage subsidy program (TWS) and received \$24,069 (2020 - \$Nil). This amount has been recognized in revenue in federal government funding.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions related to expenditures of future periods are deferred and 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.

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NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Net assets

Internally restricted net assets are funds which have been designated for specific programs and activities by the organization's Board of Directors. Included in these net assets are cash reserves held by the Society for covering certain operating expenses, organizational development costs and compensation adjustments that are not otherwise funded.

Unrestricted net assets comprise the excess of revenue over expenditures accumulated by the organization each year and are available for general purposes.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30%	declining balance method
Computer software	100%	declining balance method
Office equipment	20%	declining balance method
Furniture and fixtures	20%	declining balance method
Website	20%	declining balance method
Leasehold improvements	10 years	straight-line method

North Shore Community Resources Society Endowment Fund

Under the terms of Deed of Trust dated May 27, 2005, and amended March 1, 2010, the Society periodically contributes funds to its Endowment Fund which is held by the VanCity Community Foundation (the "Foundation"). The contribution of funds are permanent gifts to the Foundation, and accordingly, they are charged to unrestricted net assets.

The purpose of the Endowment Fund is to make annual grants of the income of the fund to "qualified donees" based on the annual grant recommendations of the donor. The Board of Directors of the Foundation will approve the grants. The only qualified donee of the Endowment Fund at the present time is the Society.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Key estimates used by management include the useful life of tangible capital assets and allowances for doubtful accounts. Actual results could differ from these estimates.

Deferred capital contributions

Deferred capital contributions related to tangible capital assets represent the unamortized amount and unspent amount of grants and donations received for the purchase of tangible capital assets. The amortization of deferred capital contributions will be recorded as revenue in the statement of operations at a rate corresponding with the amortization rate of the related tangible capital asset.

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

4. TERM DEPOSITS

The Society has funds invested in cashable and non-cashable term deposits, with terms ranging from 12 to 36 months, held at multiple financial institutions, bearing interest at rates between 0.55% and 0.85% annually.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value
Office equipment	\$ 57,842	\$ 49,982	\$ 7,860
Computer equipment	62,540	53,947	8,593
Computer software	13,791	13,791	-
Furniture and fixtures	70,224	64,830	5,394
Website	12,700	6,848	5,852
Leasehold improvements	101,659	101,659	-
	\$ 318,756	\$ 291,057	\$ 27,699

	Cost	Accumulated amortization	2020 Net book value
Office equipment	\$ 57,842	\$ 48,016	\$ 9,826
Computer equipment	188,468	176,192	12,276
Computer software	13,791	13,791	-
Furniture and fixtures	70,224	63,481	6,743
Website	12,700	5,385	7,315
Leasehold improvements	101,659	101,659	-
	\$ 444,684	\$ 408,524	\$ 36,160

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Accounts payable and accrued liabilities	\$ 82,820	\$ 95,833
Accrued wages payable	16,876	46,827
Accrued vacation payable	2,467	17,316
Other government remittances payable	773	406
	\$ 102,936	\$ 160,382

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

7. DEFERRED CONTRIBUTIONS

Contributions received from gaming activities totalled \$55,000 (2020 - \$55,000) in the year. Of the total contributions, \$55,000 (2020 - \$55,000) has been deferred to be utilized in operations before April 1, 2022. As at March 31, 2021, unspent proceeds of other various restricted grants have been deferred in the amount of \$245,645 (2020 - \$247,663).

	Beginning balance	Amounts received	Amounts recognized	2021
United Way of the Lower Mainland	\$ 171,370	\$ 464,450	\$ 455,489	\$ 180,331
B.C. Community Gaming Grant	55,000	55,000	55,000	55,000
District of North Vancouver	14,085	79,275	57,998	35,362
City of North Vancouver	19,192	55,955	61,294	13,853
District of West Vancouver	3,500	15,000	14,750	3,750
Province of British Columbia	3,557	2,577	3,557	2,577
Employment and Social Development of Canada	25,000	20,000	45,000	-
Other grants	10,959	13,300	14,487	9,772
	<u>\$ 302,663</u>	<u>\$ 705,557</u>	<u>\$ 707,575</u>	<u>\$ 300,645</u>

8. INTERNALLY RESTRICTED NET ASSETS

	<u>2021</u>	<u>2020</u>
Operating contingency reserve	\$ 348,795	\$ 348,795
Reserve for organizational development	<u>64,185</u>	<u>64,185</u>
	<u>\$ 412,980</u>	<u>\$ 412,980</u>

9. NORTH SHORE COMMUNITY RESOURCES SOCIETY ENDOWMENT FUND

Funds held by the Vancity Community Foundation are permanently endowed. During the year, the Society recorded interest income from the Endowment Fund of \$3,458 (2020 - \$3,188).

The fair value of the Endowment Fund assets as of March 31, 2021 was \$98,714 (2020 - \$79,466).

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

10. REVENUES

	<u>2021</u>	<u>2020</u>
<u>Provincial government funding</u>		
BC Ministry of Children and Families	\$ 663,877	\$ 636,085
BC Ministry of Health	<u>50,114</u>	<u>45,221</u>
	<u>\$ 713,991</u>	<u>\$ 681,306</u>
<u>Municipal government funding</u>		
City of North Vancouver	\$ 61,294	\$ 54,055
District of North Vancouver	<u>57,960</u>	<u>57,960</u>
District of West Vancouver	<u>14,750</u>	<u>12,500</u>
	<u>\$ 134,004</u>	<u>\$ 124,515</u>
	<u>\$ 847,995</u>	<u>\$ 805,821</u>

11. REMUNERATION PAID TO EMPLOYEES AND DIRECTORS

During the year, the Society paid in aggregate \$162,752 (2020 - \$334,140) to one employee and one contractor who received remuneration of \$75,000 or greater. No remuneration was paid to any members of the Board of Directors. This disclosure is provided in accordance with the requirements of the Societies Act of British Columbia.

12. FINANCIAL INSTRUMENTS

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and liabilities at amortized cost. Financial assets measured at amortized cost include cash, term deposits, goods and services tax recoverable and amounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2021.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its main funders. The majority of the Society's revenues are comprised of grants from various government agencies (2021 - 81%, 2020 - 72%) and other local organizations (2021 - 12%, 2020 - 10%). The Society is reliant on continued support from these funders. The risk of non-payment from these funders is considered low. A significant multi-year funding contract is set to complete on March 31, 2022. There has been no confirmation on the extension of this contract.

Interest rate risk

The Society is exposed to interest rate risk with respect to its cash and term deposits. Changes in interest rates can affect the fair value of investments and the cash flows related to interest income.

Additional risk

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.
