

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Financial Statements

Year Ended March 31, 2023

NORTH SHORE COMMUNITY RESOURCES SOCIETY

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Year Ended March 31, 2023

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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, 2023, 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, 2023, 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.

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, 2022 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 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 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.

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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.

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Statement of Financial Position

March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 261,258	\$ 136,154
Term deposits (Note 3)	800,774	741,607
Amounts receivable	56,308	28,460
Goods and services tax recoverable	6,714	7,033
Prepaid expenses	12,847	13,090
	<u>1,137,901</u>	926,344
Tangible capital assets (Note 4)	<u>22,973</u>	21,301
	<u>\$ 1,160,874</u>	<u>\$ 947,645</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 125,494	\$ 156,662
Deferred contributions (Note 6)	404,697	209,314
	<u>530,191</u>	365,976
Deferred capital contributions	<u>11,218</u>	6,570
	<u>541,409</u>	372,546
NET ASSETS		
Unrestricted	99,399	99,399
Internally restricted (Note 7)	520,066	475,700
	<u>619,465</u>	575,099
	<u>\$ 1,160,874</u>	<u>\$ 947,645</u>

ON BEHALF OF THE BOARD

_____  Director

_____ Violet Jessen Director

See notes to financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY**Statement of Revenues and Expenditures****Year Ended March 31, 2023**

	2023	2022
REVENUES		
Government funding		
Federal government	\$ 304,699	\$ 253,349
Provincial government	729,247	718,368
Municipal government	141,701	145,350
United Way British Columbia	573,825	606,303
Law Foundation of B.C. and other grants	268,718	237,157
B.C. Community Gaming Grant	63,500	55,000
Donations and fundraising	44,405	104,016
Interest and other income	32,590	20,204
Fees, subscriptions and memberships	81,294	76,133
	<u>2,239,979</u>	<u>2,215,880</u>
EXPENDITURES		
Salaries and wages	1,357,541	1,355,997
Program expenses	293,595	274,753
Inter-agency transfers	223,324	250,942
Occupancy costs	71,802	52,129
Contract services	59,790	53,179
Professional fees	56,781	34,900
Office expenses	41,301	51,832
Computer expenses	35,347	38,938
Facilities and maintenance	18,638	7,877
Travel	15,730	11,157
Telephone	9,444	9,147
Insurance	7,291	6,234
Amortization	5,029	6,399
	<u>2,195,613</u>	<u>2,153,484</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 44,366</u>	<u>\$ 62,396</u>

See notes to financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Statement of Changes in Net Assets

Year Ended March 31, 2023

	Unrestricted	Internally Restricted	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 99,399	\$ 475,700	\$ 575,099	\$ 512,703
Excess of revenues over expenditures	44,366	-	44,366	62,396
Transfer of unrestricted net assets	(44,366)	44,366	-	-
NET ASSETS - END OF YEAR	\$ 99,399	\$ 520,066	\$ 619,465	\$ 575,099

See notes to financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY**Statement of Cash Flows
Year Ended March 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 44,366	\$ 62,396
Items not affecting cash:		
Amortization of tangible capital assets	5,029	6,400
Amortization of deferred capital contributions	(1,885)	(2,662)
	<u>47,510</u>	<u>66,134</u>
Changes in non-cash working capital:		
Amounts receivable	(27,848)	(19,411)
Goods and services tax recoverable	319	(864)
Prepaid expenses	243	97
Accounts payable and accrued liabilities	(31,169)	53,724
Deferred contributions	195,383	(91,331)
Deferred capital contributions	6,533	-
	<u>143,461</u>	<u>(57,785)</u>
Cash flow from operating activities	<u>190,971</u>	<u>8,349</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(6,700)	-
Investment in term deposits	(800,774)	(741,607)
Maturity of term deposits	741,607	738,382
Cash flow used by investing activities	<u>(65,867)</u>	<u>(3,225)</u>
INCREASE IN CASH FLOW	125,104	5,124
Cash - beginning of year	<u>136,154</u>	<u>131,030</u>
CASH - END OF YEAR	<u>\$ 261,258</u>	<u>\$ 136,154</u>

See notes to financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

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 and organizational development costs. During the previous fiscal year ending March 31, 2022, the Society created new internally restricted funds, which held surpluses for Better at Home and Democracy Café programs. The Better at Home surplus as well as the Democracy Café surplus is to be used in the same program over the next two years.

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

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NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

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

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.

3. 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 1.80% and 4.50% annually.

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value
Computer equipment	\$ 62,540	\$ 58,329	\$ 4,211
Computer software	13,791	13,791	-
Website	12,700	8,954	3,746
Office equipment	57,842	52,811	5,031
Furniture and fixtures	76,924	66,939	9,985
Leasehold improvements	101,659	101,659	-
	\$ 325,456	\$ 302,483	\$ 22,973

	Cost	Accumulated amortization	2022 Net book value
Computer equipment	\$ 62,540	\$ 56,525	\$ 6,015
Computer software	13,791	13,791	-
Website	12,700	8,018	4,682
Office equipment	57,842	51,554	6,288
Furniture and fixtures	70,224	65,908	4,316
Leasehold improvements	101,659	101,659	-
	\$ 318,756	\$ 297,455	\$ 21,301

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accounts payable and accrued liabilities	\$ 94,145	\$ 136,118
Accrued wages payable	26,348	15,689
Accrued vacation payable	5,001	4,855
	\$ 125,494	\$ 156,662

The Society has a credit limit up to \$20,000 on a corporate credit card. The Society has undrawn credit facilities at year-end of \$1,952.

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

6. DEFERRED CONTRIBUTIONS

Contributions received from gaming activities totaled \$73,500 (2022 - \$63,500) in the year. Of the total contributions, \$73,500 (2022 - \$63,500) has been deferred to be utilized in operations before April 1, 2024. As at March 31, 2023, unspent proceeds of other various restricted grants have been deferred in the amount of \$331,197 (2022 - \$145,814).

	Beginning balance	Amounts received	Amounts recognized	2023
United Way British Columbia	\$ 46,731	\$ 618,438	\$ 561,412	\$ 103,757
B.C. Community Gaming Grant	63,500	73,500	63,500	73,500
District of North Vancouver	37,744	65,133	64,287	38,590
City of North Vancouver	15,576	91,214	58,922	47,868
District of West Vancouver	5,196	15,000	15,991	4,205
West Vancouver Foundation	10,708	33,870	17,208	27,370
Law Foundation of B.C.	10,000	265,274	215,000	60,274
Other grants	19,859	75,390	46,116	49,133
	\$ 209,314	\$ 1,237,819	\$ 1,042,436	\$ 404,697

7. INTERNALLY RESTRICTED NET ASSETS

	2023	2022
Operating contingency reserve	\$ 378,051	\$ 348,795
Reserve for organizational development	64,185	64,185
Program surplus fund	77,830	62,720
	\$ 520,066	\$ 475,700

8. NORTH SHORE COMMUNITY RESOURCES SOCIETY ENDOWMENT FUND

Funds held by the VanCity Community Foundation are permanently endowed. During the year, the Society had an overall decrease in the Endowment Fund of \$2,522 (2022 - increase of \$1,554).

The fair value of the Endowment Fund assets as of March 31, 2023 was \$97,746 (2022 - \$100,268).

9. REMUNERATION PAID TO EMPLOYEES AND DIRECTORS

During the year, the Society paid in aggregate \$242,330 (2022 - \$224,945) 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.

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

10. 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, 2023.

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 (2023 - 81%, 2022 - 80%) and other local organizations (2023 - 12%, 2022 - 11%). 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, 2023.

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.