

**NORTH SHORE COMMUNITY RESOURCES
SOCIETY**

FINANCIAL STATEMENTS

March 31, 2015

NORTH SHORE COMMUNITY RESOURCES SOCIETY

March 31, 2015

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Independent Auditor's Report

To the Members of:

North Shore Community Resources Society

I have audited the accompanying financial statements of **North Shore Community Resources Society**, which comprise the statement of financial position as at March 31, 2015 and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall financial statement presentation.

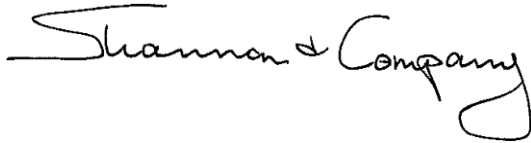
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives a part of its revenue from donations, memberships and fundraising events, 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 the Society and, I was not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations. As required by the Society Act of British Columbia, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads "Shannon & Company". The signature is written in a cursive, flowing style.

Chartered Professional Accountant

North Vancouver, B.C.

June 10, 2015

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Statement of Revenues And Expenditures

For the Year Ended March 31, 2015

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Revenue			
Service contracts and grants			
Government funding			
Federal		\$ 268,008	\$ 269,486
Provincial	10	478,900	479,235
Municipal	10	82,255	106,195
United Way of the Lower			
Mainland		380,026	400,422
Law Foundation and other		96,550	95,830
Net transfer from/to deferred revenue	11	102,156	7,351
		<u>1,407,895</u>	<u>1,358,519</u>
Other income:			
Gaming, fundraising, donations		66,563	76,512
Interest and other income		53,679	47,307
Conferences and subscriptions		40,639	34,217
		<u>1,568,776</u>	<u>1,516,555</u>
Expenditures			
Computer		6,377	11,553
Contract services		61,813	54,416
Inter-agency transfers		236,587	196,037
Insurance		7,565	5,353
Office and miscellaneous		18,014	19,548
Office equipment lease		3,480	3,764
Professional fees		6,417	6,432
Program expenses and equipment		169,869	226,874
Rent		32,068	36,380
Repairs and maintenance		3,081	2,943
Telephone		14,685	14,184
Transportation		9,938	25,809
Wages, benefits and training		943,314	904,663
		<u>1,513,208</u>	<u>1,507,956</u>
Income from Operations		<u>55,568</u>	<u>8,599</u>
Other Items			
Amortization of deferred capital contributions		-	7,698
Amortization of capital assets		(15,627)	(16,297)
Transfer to Internally restricted fund	8	(39,941)	-
		<u>(55,568)</u>	<u>(8,599)</u>
Excess of Revenue over Expenditures		<u>\$ -</u>	<u>\$ -</u>

The accompanying notes form an integral part of these financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Statement of Changes In Fund Balances

For the Year Ended March 31, 2015

	2015				2014
	Invested in Capital Assets (Note 7)	Internally restricted (Note 8)	Unrestricted	Total	Total
Net Assets, beginning of year	\$ 31,612	\$ 440,000	\$ 42,397	\$ 514,009	\$ 514,009
Operations for the year:					
Transfer to VanCity Community Foundation	-	-	(2,769)	(2,769)	-
Acquisition of Capital assets	2,328	-	(2,328)	-	-
Increase in internally restricted funds	-	39,941	-	39,941	-
Excess (deficiency) of revenue over expenses	(15,627)	-	15,627	-	-
Net operations	(13,299)	39,941	10,530	37,172	-
Net Assets, end of year	\$ 18,313	\$ 479,941	\$ 52,927	\$ 551,181	\$ 514,009

The accompanying notes form an integral part of these financial statements

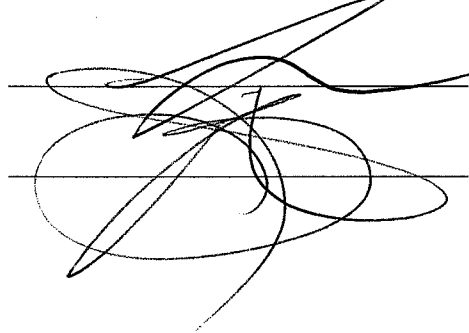
NORTH SHORE COMMUNITY RESOURCES SOCIETY

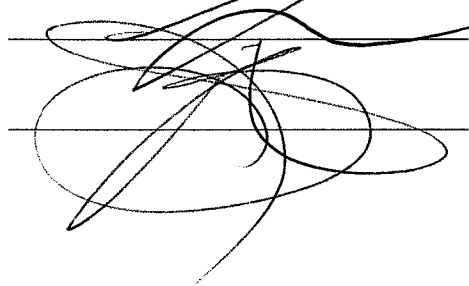
Statement of Financial Position

As at March 31, 2015

	<u>Note</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Current			
Cash		\$ 101,373	\$ 137,883
Term deposits	3	747,706	681,114
Accounts receivable		5,629	8,267
Prepaid expenses		4,091	4,202
		<u>858,799</u>	<u>831,466</u>
Long Term			
Capital assets	4	18,313	31,612
Total Assets		<u>\$ 877,112</u>	<u>\$ 863,078</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 73,056	\$ 58,263
Deferred revenue		252,875	290,806
		<u>325,931</u>	<u>349,069</u>
		<u>325,931</u>	<u>349,069</u>
NET ASSETS			
Fund Balances	5	551,181	514,009
Total Liabilities & Net Assets		<u>\$ 877,112</u>	<u>\$ 863,078</u>

Approved on Behalf of the Board

 Director

 Director

The accompanying notes form an integral part of these financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Statement of Cash Flows

For the Year Ended March 31, 2015

	2015	2014
Cash provided by (used in):		
Operating Activities		
Items not requiring an outlay of cash:		
Amortization of capital assets	\$ 15,627	\$ 16,297
Amortization of deferred capital contributions	-	(7,698)
	15,627	8,599
Changes in non-cash working capital:		
Decrease in Accounts receivable	2,638	426
Decrease (increase) in Prepaid expenses	112	(1,773)
Increase in Accounts payable & accrued liabilities	14,792	4,281
(Decrease) in Deferred revenue	(37,931)	(4,388)
	(20,389)	(1,454)
Net Cash Provided by (Used in) Operating Activities	(4,762)	7,145
Financing Activities		
Increase in Internally restricted funds	39,941	-
Increase in Endowment fund	(2,769)	-
Cash Flows used in Financing Activities	37,172	-
Investing Activities		
Additions to Capital assets	(2,328)	(2,155)
Net Increase (Decrease) in Cash and Cash Equivalents	30,082	4,990
Cash and Cash Equivalents consist of:		
Cash in Bank	101,373	137,883
Term Deposits	747,706	681,114
Cash and Cash Equivalents	849,079	818,997
Net Cash and Cash Equivalents, beginning of year	818,997	814,007
Net Increase (Decrease) in Cash and Cash Equivalents	30,082	4,990
Net Cash and Cash Equivalents, end of year	\$ 849,079	\$ 818,997

The accompanying notes form an integral part of these financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to the Financial Statements

March 31, 2015

1. Nature of Operations

The Society was incorporated under the Society Act of British Columbia in 1983.

The purpose of the Society is, in the spirit of community assistance and well being, to provide a broad spectrum of community information, referral, assistance, support, training and resources on human services from childhood to seniors; to increase access to information on human services; to assist in identifying community needs for citizens and agencies; to promote voluntarism with the charitable community; and to provide legal information and services, primarily for the citizens and agencies of the City of North Vancouver, the District of North Vancouver and the District of West Vancouver.

The Society is a registered charity under federal income tax legislation.

2. Summary of Significant Accounting Policies

(a) Revenue Recognition

The Society utilizes the deferral method of accounting for contributions. Restricted contributions related to expenditures of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Unrestricted grants and donations are recognized as revenue when received. Income from fundraising and other sources is recorded on an accrual basis.

(b) North Shore Community Resources Society Endowment Fund

Under the terms of a 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 ("Foundation"). The contributions of funds are permanent gifts to the Foundation, and accordingly they are charged to unrestricted equity as period expenses.

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 North Shore Community Resources Society. No annual grant was made in the current year.

The market value of the Endowment Fund as of December 31, 2014 was \$73,916.62.

(c) Capital Assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Capital assets in use are amortized over estimated useful lives at the following annual rates:

Leasehold improvements	10% straight line basis
Furniture and office equipment	20% declining balance method
Office equipment	20% declining balance method
Computer equipment	30% declining balance method
Automotive equipment	20% straight line basis
Computer software	100% declining balance method

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to the Financial Statements

March 31, 2015

(d) **Deferred Revenue**

Deferred revenue represents operating grants received for which the Society has not yet incurred the related expenditures.

(e) **Deferred Capital Contributions**

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

(f) **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 dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

3. Term Deposits

The Society has funds invested in a variety of cashable and non-cashable term deposits for terms of 12 months at three separate credit unions and at interest rates varying from 1.2% to 1.9%.

4. Capital Assets

	Cost	Accumulated Amortization	Net 2015	Net 2014
Leasehold Improvements	\$ 101,659	\$ 98,051	\$ 3,608	\$ 13,774
Furniture & Fittings	61,737	59,807	1,930	2,413
Office Equipment	42,461	39,679	2,782	3,477
Computer Equipment	163,438	153,445	9,993	11,948
Vehicle - Van Project	53,435	53,435	-	-
Computer Software	11,657	11,657	-	-
Computers Under Capital Lease	38,728	38,728	-	-
Total Capital Assets	\$ 473,115	\$ 454,802	\$ 18,313	\$ 31,612

5. Fund Balances

	2015	2014
Invested in Capital Assets	\$ 18,313	\$ 31,612
Internally restricted	479,941	440,000
Unrestricted	52,927	42,398
Balance, end of year	\$ 551,181	\$ 514,010

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to the Financial Statements

March 31, 2015

6. Deferred Capital Contributions

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ -	\$ 7,698
Amortization of deferred capital contributions	-	(7,698)
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>

7. Investment in Capital Assets

(a) Investment in capital assets is calculated as follows:

	<u>2015</u>	<u>2014</u>
Capital assets	\$ 18,313	\$ 31,612
	<u>\$ 18,313</u>	<u>\$ 31,612</u>

(b) Change in net assets invested in capital assets is calculated as follows:

	<u>2015</u>	<u>2014</u>
Excess of expenses over revenues:		
Amortization expense of capital assets	\$ (15,627)	\$ (16,297)
Amortization of deferred capital contributions	-	7,698
	<u>\$ (15,627)</u>	<u>\$ (8,599)</u>

Net change in investment in capital assets:

Capital assets acquired	<u>\$ 2,328</u>	<u>\$ 2,155</u>
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8. Internally Restricted Funds

	<u>2015</u>	<u>2014</u>
Reserve equal to a portion of budgeted operating expenses	\$ 362,275	\$ 362,275
Reserve for organizational development	77,725	77,725
Transfer to reserve for undesignated compensation adjustments	39,941	-
	<u>\$ 479,941</u>	<u>\$ 440,000</u>

9. Gaming Commission

Contributions received from gaming activities totaled \$45,000 (2014 - \$40,000) in the year. Of the total contributions, \$45,000 has been deferred (2014 - \$40,000) to be utilized in operations before March 31, 2016.

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to the Financial Statements

March 31, 2015

10. Revenue

	<u>2015</u>	<u>2014</u>
Provincial		
BC Ministry of Children and Families	\$ 376,506	\$ 376,506
BC Ministry of Health	102,394	102,729
	<u>\$ 478,900</u>	<u>\$ 479,235</u>
Municipal		
City of North Vancouver	\$ 24,784	\$ 30,844
District of North Vancouver	45,232	61,351
District of West Vancouver	12,239	14,000
	<u>\$ 82,255</u>	<u>\$ 106,195</u>

11. Net Transfer from/to Deferred Revenue

This represents the net transfer of deferred revenue amounts brought into current revenue from the prior year.

12. Lease Commitments

The Society leases 5,581 square feet in Capilano Mall for \$4,233.88 per month plus taxes or \$50,807 per year plus taxes.

13. Financial Instruments

The carrying values of the Society's cash, term deposits, accounts receivable, accounts payable and accrued liabilities, approximate their fair value due to the relatively short periods to maturity of the instruments.