

**NORTH SHORE COMMUNITY RESOURCES
SOCIETY**

FINANCIAL STATEMENTS

March 31, 2016

NORTH SHORE COMMUNITY RESOURCES SOCIETY

March 31, 2016

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Independent Auditor's Report

To the Members of:

North Shore Community Resources Society

We have audited the accompanying financial statements of **North Shore Community Resources Society**, which comprise the statement of financial position as at **March 31, 2016** 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, 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 revenues, excess of revenues over expenses, assets and net assets.

1.

Qualified Opinion

In our 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, 2016** 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, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.



Chartered Professional Accountants

North Vancouver, B.C.

June 20, 2016

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Statement of Revenues And Expenditures

For the Year Ended March 31, 2016

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Revenue			
Service contracts and grants			
Government funding			
Federal		\$ 269,614	\$ 268,008
Provincial	9	487,244	480,603
Municipal	9	134,767	82,961
United Way of the Lower Mainland		416,568	404,560
Law Foundation and other		86,952	96,748
		<u>1,395,145</u>	<u>1,332,880</u>
Other income:			
Gaming, fundraising, donations		102,793	67,810
Interest and other income		125,070	127,062
Conferences and subscriptions		40,007	41,024
		<u>1,663,015</u>	<u>1,568,776</u>
Expenditures			
Wages, benefits and training		966,499	943,314
Program expenses and equipment		210,091	169,869
Inter-agency transfers		203,964	236,587
Contract services		69,641	61,813
Rent		31,951	32,068
Office and miscellaneous		24,163	16,013
Transportation		14,077	9,938
Telephone		8,534	16,686
Professional fees		8,201	6,417
Amortization of Capital assets		7,548	15,627
Computer		7,537	6,377
Insurance		7,249	7,565
Office equipment lease		4,633	3,480
Repairs and maintenance		2,260	3,081
		<u>1,566,348</u>	<u>1,528,835</u>
Income from Operations		<u>96,667</u>	<u>39,941</u>
Other Items			
Total gains on sale		23,900	-
Excess of Revenue over Expenditures		<u>\$ 120,567</u>	<u>\$ 39,941</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, 2016

	2016				2015	
	Invested in Capital Assets (Note 4 & 6)	Restricted External	Restricted Internal (Note 7)	Unrestricted	Total	Total
Net Assets, beginning of year	\$ 18,313	\$ -	\$ 479,941	\$ 52,927	\$ 551,181	\$ 514,009
Operations for the year:						
Gain on Disposition of (Acquisition of) Capital assets	-	15,933	-	7,967	23,900	-
Excess (deficiency) of revenue over expenses	(7,548)	-	-	104,215	96,667	39,941
Net operations	(7,548)	15,933	-	112,182	120,567	39,941
Transfer to VanCity Community Foundation Endowment Fund	-	-	-	(2,956)	(2,956)	(2,769)
Increase (decrease) in Internally Restricted fund	-	-	(15,880)	-	(15,880)	39,941
Transfer (to) from Internally Restricted to Unrestricted	-	-	-	15,880	15,880	(39,941)
Net Assets, end of year	\$ 10,765	\$ 15,933	\$ 464,061	\$ 178,033	\$ 668,792	\$ 551,181

The accompanying notes form an integral part of these financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Statement of Financial Position

As at March 31, 2016

	<u>Note</u>	<u>2016</u>	<u>2015</u>
ASSETS			
Current			
Cash		\$ 119,962	\$ 101,373
Term deposits	3	695,668	747,706
Accounts receivable		12,474	5,629
Prepaid expenses		3,575	4,091
		<u>831,679</u>	<u>858,799</u>
Long Term			
Capital assets	4	10,765	18,313
Total Assets		<u>\$ 842,444</u>	<u>\$ 877,112</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 93,011	\$ 73,056
Deferred revenue		80,641	252,875
		<u>173,652</u>	<u>325,931</u>
		<u>173,652</u>	<u>325,931</u>
NET ASSETS			
Fund Balances	5	668,792	551,181
Total Liabilities & Net Assets		<u>\$ 842,444</u>	<u>\$ 877,112</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, 2016

	<u>2016</u>	<u>2015</u>
Cash provided by (used in):		
Operating Activities		
Excess (deficiency) of revenue over expenditures	\$ 120,567	\$ 39,941
Items not requiring an outlay of cash:		
Amortization of capital assets	7,548	15,627
	<u>128,115</u>	<u>55,568</u>
Changes in non-cash working capital:		
(Increase) decrease in Accounts receivable	(6,846)	2,638
Decrease in Prepaid expenses	515	112
Increase in Accounts payable & accrued liabilities	19,959	14,794
(Decrease) in Deferred revenue	(172,234)	(37,931)
	<u>(158,606)</u>	<u>(20,387)</u>
Net Cash Provided by (Used in) Operating Activities	(30,491)	35,181
Financing Activities		
Increase in Endowment fund	(2,956)	(2,769)
Investing Activities		
Gain on disposal of (Additions to) Capital assets	-	(2,328)
Net Increase (Decrease) in Cash and Cash Equivalents	(33,447)	30,084
Cash and Cash Equivalents consist of:		
Cash in Bank	119,962	101,373
Term Deposits	695,668	747,706
Cash and Cash Equivalents	815,630	849,079
Net Cash and Cash Equivalents, beginning of year	849,079	818,997
Net Increase (Decrease) in Cash and Cash Equivalents	(33,448)	30,084
Net Cash and Cash Equivalents, end of year	\$ 815,630	\$ 849,079

The accompanying notes form an integral part of these financial statements

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to the Financial Statements

March 31, 2016

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, 2015 was \$74,044.34.

(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, 2016

(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 1.05% to 1.65%.

4. Capital Assets

	Cost	Accumulated Amortization	Net 2016	Net 2015
Leasehold Improvements	\$ 101,659	\$ 101,659	\$ -	\$ 3,608
Furniture & Fittings	61,737	60,193	1,544	1,930
Office Equipment	42,461	40,235	2,226	2,782
Computer Equipment	163,438	156,443	6,995	9,993
Computer Software	11,657	11,657	-	-
Computers Under Capital Lease	38,728	38,728	-	-
Total Capital Assets	\$ 419,680	\$ 408,915	\$ 10,765	\$ 18,313

5. Fund Balances

	2016	2015
Invested in Capital Assets	\$ 10,765	\$ 18,313
Restricted -external	15,933	-
Restricted -internal	464,061	479,940
Unrestricted	178,033	52,927
Balance, end of year	\$ 668,792	\$ 551,181

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to the Financial Statements

March 31, 2016

6. Investment in Capital Assets

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

	<u>2016</u>	<u>2015</u>
Capital assets	\$ 10,765	\$ 18,313
	<u>\$ 10,765</u>	<u>\$ 18,313</u>

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

	<u>2016</u>	<u>2015</u>
Excess of expenses over revenues:		
Amortization expense of capital assets	\$ (7,548)	\$ (15,627)
	<u>\$ (7,548)</u>	<u>\$ (15,627)</u>

7. Internally Restricted Funds

	<u>2016</u>	<u>2015</u>
Reserve equal to a portion of budgeted operating expenses	\$ 362,275	\$ 362,275
Reserve for organizational development	77,725	77,725
Reserve for future compensation adjustments	24,061	39,941
	<u>\$ 464,061</u>	<u>\$ 479,941</u>

8. Gaming Commission

Contributions received from gaming activities totaled \$45,000 (2015 - \$40,000) in the year. Of the total contributions, \$45,000 has been deferred (2015 - \$(40,000)) to be utilized in operations before April 01, 2017.

9. Revenue

	<u>2016</u>	<u>2015</u>
Provincial		
BC Ministry of Children and Families	\$ 384,542	\$ 376,506
BC Ministry of Health	102,488	104,097
	<u>\$ 487,244</u>	<u>\$ 480,603</u>
Municipal		
City of North Vancouver	\$ 43,444	\$ 24,784
District of North Vancouver	74,276	45,938
District of West Vancouver	17,047	12,239
	<u>\$ 134,767</u>	<u>\$ 82,961</u>

NORTH SHORE COMMUNITY RESOURCES SOCIETY

Notes to the Financial Statements

March 31, 2016

10. Office Space

The Society occupies 5,581 square feet of community amenity office space in Capilano Mall for which it paid \$4,233.88 per month plus taxes or \$50,807 per year plus taxes in 2016.

11. 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.