



Financial Statements

Kaslo Community Services Society

March 31, 2024

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Independent Practitioner's Review Engagement Report

To the Members of
Kaslo Community Services Society

We have reviewed the accompanying financial statements of Kaslo Community Services Society that comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets 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 private enterprises, 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.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Kaslo Community Services Society as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Nelson, Canada
June 24, 2024

Grant Thornton LLP

Chartered Professional Accountants

Kaslo Community Services Society

Statement of Financial Position

March 31

2024

2023

Assets

Current

| | | |
|------------------------|------------------|------------------|
| Cash | \$ 133,705 | \$ 345,703 |
| Term deposits (Note 3) | 1,011,469 | 832,590 |
| Accounts receivable | 20,354 | 40,445 |
| Prepaid expenses | 1,000 | - |
| | <u>1,166,528</u> | <u>1,218,738</u> |

Tangible capital assets (Note 4)

190,737 208,087\$ 1,357,265 \$ 1,426,825**Liabilities**

Current

| | | |
|--|----------------|----------------|
| Accounts payable and accrued liabilities | \$ 13,295 | \$ 11,009 |
| Government remittances payable | 18,519 | - |
| Wages payable | 16,097 | 20,274 |
| Deferred contributions (Note 5) | 598,304 | 719,521 |
| | <u>646,215</u> | <u>750,804</u> |

Deferred capital contributions (Note 6)

62,221 65,596708,436 816,400**Net Assets**

| | | |
|--|----------------|----------------|
| Internally restricted (Note 7) | 394,583 | 366,737 |
| Unrestricted | 125,730 | 101,197 |
| Invested in tangible capital assets (Note 8) | 128,516 | 142,491 |
| | <u>648,829</u> | <u>610,425</u> |

\$ 1,357,265 \$ 1,426,825

On behalf of the Board

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David McCormick

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Kaslo Community Services Society

Statement of Operations

Year ended March 31

2024

2023

Revenue

| | | |
|---|------------------|------------------|
| Ministry of Children & Family Development | \$ 228,116 | \$ 172,548 |
| Charities and foundations | 228,100 | 218,441 |
| Columbia Basin Trust | 224,080 | 227,355 |
| Ministry of Public Safety and Solicitor General | 201,787 | 175,083 |
| Interior Health Authority | 188,322 | 143,058 |
| United Way | 129,257 | 138,688 |
| BC Housing | 69,186 | 49,742 |
| Donations | 54,077 | 84,082 |
| Community Gaming grant | 51,515 | 42,979 |
| Community Living BC | 30,762 | 29,548 |
| Interest and sundry | 33,859 | 18,819 |
| BC Association of Farmers Markets | 24,210 | 24,934 |
| Other government grants | 23,279 | 19,530 |
| School District No.8 (Kootenay Lake) | 21,660 | 23,028 |
| Client contributions | 19,601 | 15,356 |
| Amortization of deferred capital contributions | 9,875 | 8,468 |
| | <u>1,537,686</u> | <u>1,391,659</u> |

Expenses

| | | |
|---|------------------|------------------|
| Advertising | 1,075 | 1,181 |
| Amortization of tangible capital assets | 24,560 | 24,368 |
| Bank charges | 352 | 362 |
| Computer expense | 5,564 | 4,831 |
| IT support | 33,197 | - |
| Insurance and memberships | 23,619 | 20,891 |
| Management fees | 105 | - |
| Office supplies | 4,293 | 7,374 |
| Professional fees | 9,140 | 9,208 |
| Program expenses | 245,438 | 259,732 |
| Rent | 24,466 | 26,205 |
| Repairs and maintenance | 15,442 | 18,544 |
| Salaries and employee benefits | 1,098,272 | 948,292 |
| Telephone | 3,698 | 3,077 |
| Utilities | 8,455 | 4,591 |
| | <u>1,497,676</u> | <u>1,328,656</u> |

Excess of revenue over expenses before other item 40,010 63,003

Other item

(Loss) gain on sale of tangible capital assets (1,606) 15,669

Excess of revenue over expenses \$ 38,404 \$ 78,672

Kaslo Community Services Society

Statement of Changes in Net Assets

Year ended March 31

| | | Internally restricted net assets (Note 7) | Unrestricted | Invested in tangible capital assets (Note 8) | Total 2024 | Total 2023 |
|---|-----------|--|--------------------------|---|--------------------------|--------------------------|
| Balance, beginning of year | \$ | 366,737 | \$ 101,197 | \$ 142,491 | \$ 610,425 | \$ 531,753 |
| Excess of revenue over expenses | | - | 38,404 | - | 38,404 | 78,672 |
| Tangible capital assets ("TCA") additions | | - | (8,816) | 8,816 | - | - |
| Loss on disposal of TCA | | - | 1,606 | (1,606) | - | - |
| Amortization of TCA | | - | 24,560 | (24,560) | - | - |
| Capital contributions received | | - | 6,500 | (6,500) | - | - |
| Amortization of deferred capital contributions | | - | (9,875) | 9,875 | - | - |
| Transfers | | <u>27,846</u> | <u>(27,846)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance, end of year | \$ | <u>394,583</u> | \$ <u>125,730</u> | \$ <u>128,516</u> | \$ <u>648,829</u> | \$ <u>610,425</u> |

Kaslo Community Services Society

Statement of Cash Flows

Year ended March 31

2024

2023

Increase (decrease) in cash

Operating

| | | |
|--|------------------|------------------|
| Excess of revenue over expenses | \$ 38,404 | \$ 78,672 |
| Items not affecting cash | | |
| Amortization of tangible capital assets | 24,560 | 24,368 |
| Amortization of deferred capital contributions | (9,875) | (8,468) |
| Loss (gain) on sale of tangible capital assets | <u>1,606</u> | <u>(15,669)</u> |
| | 54,695 | 78,903 |
| Change in non-cash working capital items | | |
| Accounts receivable | 20,091 | (17,343) |
| Prepaid expenses | (1,000) | 4,200 |
| Accounts payable and accrued liabilities | 2,285 | 2,909 |
| Government remittances | 18,519 | (19,048) |
| Wages payable | (4,177) | 10,145 |
| Deferred contributions | <u>(121,217)</u> | <u>(113,129)</u> |
| | (30,804) | (53,363) |

Investing

| | | |
|---|------------------|-----------------|
| Purchase of tangible capital assets | (8,816) | (41,567) |
| Proceeds on disposal of tangible capital assets | - | 12,500 |
| Deferred capital contributions additions | 6,500 | 35,851 |
| Reinvestment in term deposits | <u>(178,878)</u> | <u>(13,224)</u> |
| | (181,194) | (6,440) |

Decrease in cash (211,998) (59,803)

Cash

| | | |
|-------------------|-------------------|-------------------|
| Beginning of year | <u>345,703</u> | <u>405,506</u> |
| End of year | \$ 133,705 | \$ 345,703 |

Kaslo Community Services Society

Notes to the Financial Statements

March 31, 2024

1. Nature of operations

Kaslo Community Services Society (the "Society") is a non-profit, multi-service organization. The Society's mission is to develop and provide services and programs which contribute to a thriving community and enhance the quality of life for North Kootenay Lake residents. The population served will include seniors, adults, families, adolescents, and children living in North Kootenay Lake communities including Ainsworth, Mirror Lake, Kaslo, Lardeau, Cooper Creek, Meadow Creek, Howser, Argenta, Johnson's Landing, and their surrounding rural areas and the Crawford Bay, Riondel, and Gray Creek areas. Unique programs may be offered to residents of a wider geographic base encompassing areas where similar services are not available. The operations of the Society are to be chiefly carried on in the area known as Kaslo and District in the Province of British Columbia. Kaslo Community Services Society is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act.

2. Significant accounting policies

Basis of presentation

The following is a summary of the significant accounting policies of the Society.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Kaslo Community Services Society follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. 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.

Cost allocation

Costs are allocated to programs based on management's estimate of the program's proportionate share of the actual expenditure.

Tangible capital assets

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided, on a straight-line basis, as follows:

| | |
|------------------------|---------|
| Building | 2% |
| Vehicles | 7 years |
| Office equipment | 10% |
| Leasehold improvements | 20% |
| Computers | 20% |
| Medic alert units | 10% |
| Counselling library | 10% |

Kaslo Community Services Society

Notes to the Financial Statements

March 31, 2024

2. Significant accounting policies (continued)

Term deposits

The Society classifies non-redeemable term deposits that mature within 12 months and all redeemable term deposits as current assets.

Financial instruments

Financial instruments in arm's length transactions

The Society considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Society accounts for the following as financial instruments:

- cash
- term deposits
- accounts receivable
- accounts payable and accrued liabilities
- wages payable

A financial asset or liability is recognized when the Society becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Financing fees and transaction cost on financial instruments subsequently measured at fair value are expensed as incurred.

The entity subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment, except for investments in equity instruments that are quoted in an active market, which are measured at fair value; derivative contracts, which are measured at fair value; and certain financial assets and financial liabilities which the Society has elected to measure at fair value. Changes in fair value are recognized in net income.

The Society removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost or amortized cost less any reduction for impairment include cash, term deposits, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and wages payable.

Kaslo Community Services Society

Notes to the Financial Statements

March 31, 2024

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial instruments in related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Society does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Society initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Society has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

Use of estimates

In preparing the Society's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. The Society's most significant estimates include the useful lives of tangible capital assets for amortization.

Contributed services and goods

Contributed services, goods, and volunteer hours are not recognized in the Society's financial statements due to the difficulty in determining the fair value of contributions.

3. Term deposits

The term deposits bear interest from 3.71% to 5.13% (2023 - 3.22% to 3.78%) and mature between January 22, 2025 and September 29, 2027.

Kaslo Community Services Society

Notes to the Financial Statements

March 31, 2024

4. Tangible capital assets

| | | | <u>2024</u> | <u>2023</u> |
|------------------------|-------------------|-------------------------------------|---------------------------|---------------------------|
| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> | <u>Net Book Value</u> |
| Land | \$ 6,375 | \$ - | \$ 6,375 | \$ 6,375 |
| Building | 162,739 | 69,930 | 92,809 | 96,064 |
| Vehicles | 9,855 | 9,151 | 704 | 2,112 |
| Office equipment | 151,723 | 82,340 | 69,383 | 76,059 |
| Leasehold improvements | 11,001 | 11,001 | - | - |
| Computers | 44,945 | 25,637 | 19,308 | 24,807 |
| Medic alert units | 9,536 | 7,378 | 2,158 | 2,670 |
| Counselling library | 971 | 971 | - | - |
| | <u>\$ 397,145</u> | <u>\$ 206,408</u> | <u>\$ 190,737</u> | <u>\$ 208,087</u> |

5. Deferred contributions

| | <u>Balance, beginning of year</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance, end of year</u> |
|--|---|---------------------|-----------------------|---------------------------------|
| Ministry of Children and Family Development | \$ 68,497 | \$ 209,068 | \$ (228,116) | \$ 49,449 |
| Interior Health Authority | 93,373 | 180,051 | (188,322) | 85,102 |
| Ministry of Public and Solicitor General | 23,647 | 189,423 | (201,787) | 11,283 |
| Donations - Food Cupboard | 61,371 | 38,370 | (29,880) | 69,861 |
| Food Hub | 18,569 | 6,344 | (4,683) | 20,230 |
| Community Living BC | 17,351 | 27,690 | (30,762) | 14,279 |
| Columbia Basin Trust | 147,209 | 232,620 | (225,080) | 154,749 |
| BC Housing | 11,036 | 61,208 | (69,186) | 3,058 |
| Family Resource Centre - Bequest | 7,421 | - | (1,923) | 5,498 |
| School District 8 | 8,906 | 19,260 | (21,660) | 6,506 |
| Community Gaming Grant | 51,417 | 51,617 | (51,515) | 51,519 |
| Regional District of Central Kootenay | 4,614 | 4,000 | (4,338) | 4,276 |
| Women's Shelters Canada | 118,843 | - | (118,843) | - |
| Food Banks BC | 38,888 | 29,495 | (32,253) | 36,130 |
| Food Banks Canada | - | 11,673 | (1,980) | 9,693 |
| United Way | 2,279 | 134,278 | (129,257) | 7,300 |
| Community Fund of North Kootenay Lake Society | 74 | 6,078 | (6,052) | 100 |
| Other small grants | 46,026 | 85,041 | (61,796) | 69,271 |
| | <u>\$ 719,521</u> | <u>\$ 1,286,216</u> | <u>\$ (1,407,433)</u> | <u>\$ 598,304</u> |

Kaslo Community Services Society

Notes to the Financial Statements

March 31, 2024

6. Deferred capital contributions

| | <u>2024</u> | <u>2023</u> |
|---|------------------|------------------|
| Balance, beginning of year | \$ 65,596 | \$ 66,866 |
| Additional contributions received | 6,500 | 35,851 |
| Less: Amounts amortized to revenue | (9,875) | (8,468) |
| Less: Disposal of tangible capital assets | - | (28,653) |
| | <u> </u> | <u> </u> |
| Balance, end of the year | <u>\$ 62,221</u> | <u>\$ 65,596</u> |

7. Internally restricted net assets

During the year, the Board of Directors internally restricted a net amount of \$27,846 (2023 - \$83,547) of unrestricted net assets. The total internal restrictions of net assets at the end of the year are as follows:

| | <u>2024</u> | <u>2023</u> |
|--------------------------------|-------------------|-------------------|
| Building Maintenance | \$ 8,596 | \$ 7,396 |
| Office Equipment Replacement | 16,317 | 11,348 |
| Professional Development | 17,694 | 18,750 |
| Baby-Needs Cupboard | 1,505 | 1,505 |
| Contingency Fund | 90,577 | 82,906 |
| Building Expansion Fund | 182,775 | 167,992 |
| Youth Fund | 1,510 | 832 |
| Staff Emergency Overnight Fund | 1,000 | 1,000 |
| Legal Contingency Fund | 15,409 | 15,808 |
| Co-Leadership Project | 59,200 | 59,200 |
| | <u> </u> | <u> </u> |
| | <u>\$ 394,583</u> | <u>\$ 366,737</u> |

These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

Kaslo Community Services Society

Notes to the Financial Statements

March 31, 2024

8. Invested in tangible capital assets

The investment in tangible capital assets is calculated as follows:

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| Tangible capital assets | \$ 190,737 | \$ 208,087 |
| Less: Amounts financed by deferred capital contributions | <u>(62,221)</u> | <u>(65,596)</u> |
| Balance, end of the year | <u>\$ 128,516</u> | <u>\$ 142,491</u> |

Changes in net assets invested in tangible capital assets are calculated as follows:

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| Balance, beginning of year | \$ 142,491 | \$ 149,506 |
| Purchase of tangible capital assets | 8,816 | 41,567 |
| Amounts funded by deferred capital contributions | (6,500) | (35,851) |
| Amortization of tangible capital assets | (24,560) | (24,368) |
| Amortization of deferred capital contributions | 9,875 | 8,468 |
| Disposal through deferred capital contributions | - | 28,653 |
| Disposal of tangible capital assets | <u>(1,606)</u> | <u>(25,484)</u> |
| Balance, end of the year | <u>\$ 128,516</u> | <u>\$ 142,491</u> |

9. Financial instruments

The following represents the Society's exposure to risks through its financial instruments.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment. The Society is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Society does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to liquidity risk arising primarily from the accounts payable. The Society's ability to meet obligations depends on the receipt of funds from its operations and other related sources, whether in the form of revenue or grants. The risk is mitigated through comprehensive budgeting and that most funds from grants are received in advance of associated expenses being incurred.

Kaslo Community Services Society

Notes to the Financial Statements

March 31, 2024

10. Remuneration of directors, employees, and contractors

The Societies Act of British Columbia requires the Society to disclose the remuneration paid to directors during the year and the remuneration paid to all employees and contractors whose remuneration during the year was at least \$75,000. The Society had 5 employees meeting this criteria. No remuneration was paid to directors during the year.
