

Yellowhead Community Services Society
Financial Statements
March 31, 2023

Yellowhead Community Services Society

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For the year ended March 31, 2023

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Management's Responsibility

To the Board of Directors of Yellowhead Community Services Society:


Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Society. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Society's external auditors.

MNP LLP is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

September 12, 2023


Chief Operating Officer

To the Members of Yellowhead Community Services Society:

Qualified Opinion

We have audited the financial statements of Yellowhead Community Services Society (the "Society"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, 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 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 its financial performance and its 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 not-for-profit organizations, the Society derives revenue from other subsidies, fees and fundraising, 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, and we were not able to determine whether any adjustments might be necessary with respect to other subsidies, fees and fundraising revenue, excess of revenue over expenses, or net assets.

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 the 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 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.

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.

Kamloops, British Columbia

September 12, 2023

MNP LLP

Chartered Professional Accountants

Yellowhead Community Services Society
Statement of Financial Position
As at March 31, 2023

	2023	2022
Assets		
Current		
Cash	567,130	515,993
Marketable securities	1,158,204	709,166
Accounts receivable	116,826	10,037
Prepaid expenses and deposits	-	14,640
Restricted cash (Note 3)	2,987,877	2,714,990
	4,830,037	3,964,826
Capital assets (Note 4)	7,746,685	8,054,723
	12,576,722	12,019,549
Liabilities		
Current		
Accounts payable and accruals	161,315	169,055
Accrued vacation payable	28,501	44,300
Government remittances payable	20,993	28,632
Current portion of deferred contributions related to capital assets (Note 8)	196,321	214,660
Current portion of long-term debt (Note 6)	65,119	63,697
Deferred revenue (Note 7)	689,803	453,424
	1,162,052	973,768
Long-term debt (Note 6)	2,963,043	3,028,162
Deferred contributions related to capital assets (Note 8)	4,253,928	4,446,510
	8,379,023	8,448,440
Contingency (Note 16)		
Commitments (Note 9)		
Net Assets		
Invested in capital assets	268,276	301,696
Capital reserve (Note 10)	1,263,787	1,090,642
Contingency reserve (Note 10)	1,455,806	1,343,052
Internally restricted funds (Note 11)	268,284	247,673
Unrestricted funds	941,546	588,046
	4,197,699	3,571,109
	12,576,722	12,019,549

Approved on behalf of the Board
e-Signed by Shirley Frost
2023-09-12 09:36:07:07 PDT
Director

e-Signed by Joanne Stokes
2023-09-12 09:18:34:34 PDT
Director

The accompanying notes are an integral part of these financial statements

Yellowhead Community Services Society
Statement of Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Other subsidies, fees and fundraising <i>(Note 13)</i>	1,730,891	1,364,039
Ministry of Children and Family Development	910,816	890,384
Community Living B.C.	818,356	818,794
Ministry of Social Development - Work BC	569,816	591,483
Clearwater Health Centre	410,535	162,131
B.C. Transit	369,789	327,411
Interior Health Authority	335,978	333,853
B.C. Housing - Safe Home Response	131,275	103,941
Ministry of Public Safety and Solicitor General	117,457	117,457
B.C. Gaming	73,901	73,850
United Way	109,144	33,656
Thompson Rivers University	61,691	-
Ministry of Social Development - Third Party Contracts	46,020	46,020
Interest income	44,187	16,190
Amortization of deferred contributions <i>(Note 8)</i>	210,921	228,441
	5,940,777	5,107,650
Recognition from deferred revenue	449,048	330,747
Allocation to deferred revenue	(641,318)	(453,424)
	5,748,507	4,984,973
Expenses		
Salaries and benefits	3,301,803	3,105,556
Program supports <i>(Note 14)</i>	272,833	274,912
Rent	156,198	124,160
Facility operating costs	143,573	140,185
Automotive	126,634	96,045
Repairs and maintenance	113,503	120,577
Supplies	108,503	87,659
Office	88,442	84,117
Insurance	73,220	61,611
Village of Lytton project	72,326	-
Interest on long-term debt	67,681	69,072
Contracted services	64,894	96,391
Telephone	64,752	76,939
Training and education	22,252	35,702
Travel	21,971	23,043
Professional fees	20,378	23,466
Bank charges and interest	5,306	4,217
Advertising	704	1,374
Amortization	380,978	397,002
	5,105,951	4,822,028
Excess of revenue over expenses before other items	642,556	162,945
Other items		
Unrealized gain (loss) on marketable securities	(25,962)	51,919
Gain on disposal of capital assets	9,996	-
Excess of revenue over expenses	626,590	214,864

The accompanying notes are an integral part of these financial statements

Yellowhead Community Services Society
Statement of Changes in Net Assets
For the year ended March 31, 2023

	Invested in capital assets	Capital reserve	Contingency reserve	Internally restricted funds	Unrestricted	2023	2022
Net assets beginning of year	301,696	1,090,642	1,343,052	247,673	588,046	3,571,109	3,356,245
Excess of revenue over expenses	-	-	-	-	626,590	626,590	214,864
Purchase of capital assets	72,940	-	-	-	(72,940)	-	-
Repayment of long-term debt	63,697	-	-	-	(63,697)	-	-
Amortization of deferred capital contributions	210,921	-	-	-	(210,921)	-	-
Amortization	(380,978)	-	-	-	380,978	-	-
Transfers	-	173,145	112,754	20,611	(306,510)	-	-
Net assets, end of year	268,276	1,263,787	1,455,806	268,284	941,546	4,197,699	3,571,109

The accompanying notes are an integral part of these financial statements

Yellowhead Community Services Society
Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Cash received from contributions and grants	5,622,986	5,033,644
Cash receipts from unrestricted investment income	44,187	16,190
Cash paid for program service expenses	(4,668,521)	(4,268,514)
Cash paid for interest	(72,987)	(73,289)
	925,665	708,031
Financing		
Repayment of long-term debt	(63,697)	(62,307)
Investing		
Purchase of marketable securities	(475,000)	(58,174)
Purchase of capital assets	(72,940)	(106,663)
Proceeds on disposal of capital assets	9,996	-
	(537,944)	(164,837)
Increase in cash resources	324,024	480,887
Cash resources, beginning of year	3,230,983	2,750,096
Cash resources, end of year	3,555,007	3,230,983
Cash resources are composed of:		
Cash	567,130	515,993
Restricted cash	2,987,877	2,714,990
	3,555,007	3,230,983

The accompanying notes are an integral part of these financial statements