

# **ARBUTUS SHAUGHNESSY KERRISDALE FRIENDSHIP SOCIETY**

Vancouver, British Columbia

Review Engagement Report

Financial Statements - March 31, 2024

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Arbutus Shaughnessy Kerrisdale Friendship Society:

We have reviewed the accompanying financial statements of Arbutus Shaughnessy Kerrisdale Friendship Society that comprise the statement of financial position as at March 31, 2024, and the statements of changes in net assets, receipts and disbursements, 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.

### 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

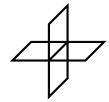
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Arbutus Shaughnessy Kerrisdale Friendship Society as at March 31, 2024, and the results of its operations and its cash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

Vancouver, British Columbia  
July 16, 2024

  
Chartered Professional Accountants

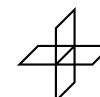


# ARBUTUS SHAUGHNESSY KERRISDALE FRIENDSHIP SOCIETY



## Statement of Changes in Net Assets For the Year Ended March 31, 2024 Unaudited

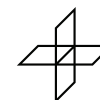
	Invested in Capital Assets	Restricted for Endowment Purposes	Internally Restricted (Note 7)	Unrestricted (Other)	Total <b>2024</b>	Total 2023
Balance, beginning of year	\$ 37,189	4,100	624,098	556,380	<b>1,221,767</b>	963,630
(Deficiency) excess of receipts over disbursements	(10,070)	-	-	105,483	<b>95,413</b>	258,137
Investment in capital assets, net	6,335	-	-	(16,335)	-	-
Utilization of Restricted Funds	-	-	(1,450)	1,450	-	-
Internal fund transfer	-	-	(25,000)	25,000	-	-
<b>Balance, end of year</b>	<b>\$ 43,454</b>	<b>4,100</b>	<b>597,648</b>	<b>671,978</b>	<b>1,317,180</b>	<b>1,221,767</b>

**ARBUTUS SHAUGHNESSY KERRISDALE FRIENDSHIP SOCIETY****Statement of Receipts and Disbursements****For the Year Ended March 31, 2024**

Unaudited

	<b>2024</b>	2023
<b>Receipts</b>		
Vancouver Coastal Health Authority	<b>\$ 676,993</b>	637,925
Daily fee	<b>60,928</b>	52,468
Sub-lease rental	<b>37,800</b>	60,000
Grants	<b>35,112</b>	34,827
Vancouver Coastal Health Authority - staff education	-	28,996
Private clients and transportation	<b>19,402</b>	6,454
Memberships and others	<b>8,627</b>	1,001
Meal program	<b>390</b>	-
	<b>839,252</b>	821,671
<b>Disbursements</b>		
Amortization	<b>10,070</b>	8,426
Automobile	<b>12,203</b>	3,080
Facility planning, and relocation	<b>12,125</b>	307
Financial review	<b>5,007</b>	4,792
Insurance	<b>4,260</b>	4,196
Janitorial	<b>8,442</b>	17,160
Lunches	<b>13,892</b>	24,989
Office and other	<b>26,070</b>	14,897
Participant transportation	<b>12,500</b>	9,635
Property charges	<b>92,701</b>	185,402
Recreation and education	<b>8,312</b>	3,864
Repairs and maintenance	<b>4,059</b>	4,201
Staff education	-	618
Staff travel and development	<b>6,787</b>	2,870
Telephone and communication	<b>3,506</b>	3,655
Utility fees	<b>8,886</b>	14,810
Wages and benefits	<b>623,995</b>	518,773
	<b>852,815</b>	821,675
Deficiency of receipts over disbursements before other items	<b>(13,563)</b>	(4)
<b>Other items</b>		
Donation revenue	<b>37,417</b>	200,408
Unrealized gain on long-term investments	<b>43,973</b>	24,086
Forgiven CEBA loan	-	20,000
Investment income	<b>33,056</b>	16,791
Investment management fees	<b>(5,470)</b>	(3,144)
<b>Net excess of receipts over disbursements</b>	<b>\$ 95,413</b>	258,137

The accompanying notes are an integral part of these financial statements.

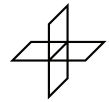
**ARBUTUS SHAUGHNESSY KERRISDALE FRIENDSHIP SOCIETY****Statement of Cash Flows  
For the Year Ended March 31, 2024**

Unaudited

	<u>2024</u>	<u>2023</u>
Operating activities		
Net excess of receipts over disbursements	\$ 95,413	258,137
Adjustments for:		
Amortization	10,070	8,426
Unrealized gain on long-term investments	(43,973)	(24,086)
Changes in non-cash working capital:		
Accounts receivable	2,012	(1,513)
Prepaid expenses	(456)	(3,202)
Accounts payable and accrued liability	8,909	(29,478)
Deferred revenue	55,920	(7,600)
Long-term investments	(10,800)	(516,552)
	<u>117,095</u>	<u>(315,868)</u>
Investing activities		
Purchase of capital assets	(16,335)	(22,118)
Increase (decrease) in cash and cash equivalents	100,760	(337,986)
Cash and cash equivalents, beginning of year	651,111	989,097
Cash and cash equivalents, end of year	<u>\$ 751,871</u>	<u>651,111</u>
Cash and cash equivalents consists of:		
Cash	\$ 198,770	304,762
Short-term investments	553,101	346,349
	<u>\$ 751,871</u>	<u>651,111</u>

The accompanying notes are an integral part of these financial statements.

# ARBUTUS SHAUGHNESSY KERRISDALE FRIENDSHIP SOCIETY



## Notes to Financial Statements

March 31, 2024

Unaudited

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### 1. Nature of operations

The Arbutus Shaughnessy Kerrisdale Friendship Society (the "Society") operates a day program for senior citizens. It is registered under The Society Act of British Columbia as a not-for-profit organization and is classified as a charitable organization for the purposes of the Income Tax Act.

### 2. Significant accounting policies

The Society's financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO"), Part III of the CPA Canada Handbook, and reflect the following significant accounting policies:

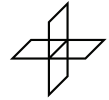
#### a) Financial instruments

The Society's financial instruments are comprised of cash, accounts receivable, term deposits, long-term investments (Note 4), and accounts payable. Cash and long-term investments (Note 4) are measured at fair value. Accounts receivable, term deposits and accounts payable are initially recorded at fair value, then subsequently measured at amortized cost.

Transaction costs related to financial instruments that are subsequently measured at amortized cost are included in the original cost of the financial instrument. These transaction costs are amortized into net receipts over disbursements on a straight-line basis over the life of the financial instrument.

The Society tests financial assets measured at amortized cost for impairment if there are indicators of possible impairment. When the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net receipts over disbursements. If events and circumstances reverse in a future period, the previously recorded impairment loss will be reversed to the extent of the improvement.

# ARBUTUS SHAUGHNESSY KERRISDALE FRIENDSHIP SOCIETY



## Notes to Financial Statements

March 31, 2024

Unaudited

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### 2. Significant accounting policies (continued)

b) Net assets

The Society segregates its net assets into:

- i) Net capital assets, which consists of the net book value of the Society's capital assets;
- ii) Endowment fund, which consists of externally restricted contributions received by the Society where the endowment principal is required to be maintained intact;
- iii) Internally restricted net assets, which consists of unrestricted contributions received by the Society where the Board of Directors has restricted the funds for certain purposes at the request of the donors; and
- iv) The remaining net assets, which are referred to as unrestricted net assets.

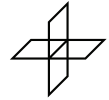
c) Capital assets and amortization

Capital assets are recorded at cost and are amortized over their estimated useful lives at the following annual rates:

Automobiles	30% declining balance
Computer hardware	55% declining balance
Furniture and fixtures	20% - 30% declining balance

d) Impairment of long-lived assets

The Society tests long-lived assets for impairment whenever events or circumstances indicate that the carrying value of an asset or group of assets may not be recoverable. If the carrying value of an asset or group of assets exceeds the undiscounted estimated future cash flows related to the asset or group of assets, an impairment loss is recognized in the period it is determined to the extent that the carrying value exceeds the fair value of the asset or group of assets. An impairment loss is not reversed if the fair value of the related asset or group of assets subsequently increases.



**2. Significant accounting policies (continued)**

e) Revenue recognition

The Society follows the deferral method of accounting for contributions whereby:

- i) Restricted contributions are recognized as revenue in the year in which the related expenses are incurred; and
- ii) 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.

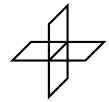
Contributions of gifts-in-kind are recorded at their fair market value.

f) Contributed services

The work of the Society is dependent on the services of many volunteers. As these services are not normally purchased by the Society, it is difficult to determine their fair market value. Therefore, contributed services are not recognized in these financial statements.

g) Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. A significant area requiring the use of management estimates is the useful lives of capital assets. Actual results may differ from these estimates. These estimates are reviewed periodically and appropriate adjustments are made whenever estimates and assumptions change.



**3. Financial instruments**

The carrying values of cash, accounts receivable, term deposits, long-term investments (Note 4), and accounts payable approximated their estimated fair values as at March 31, 2024. This is due to the relatively short periods to maturity of these instruments, or because they are due or receivable on demand, or because interest rates fluctuate based on current market conditions.

The significant financial risks to which the Society is exposed are:

a) Interest rate risk

Interest rate risk is the risk that the fair value and/or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The term deposit investments have fixed interest rates. Therefore, the Society is not exposed to significant interest rate risk.

b) Credit risk

Credit risk is the risk of financial loss to the Society if a customer fails to meet its financial obligations. The Society receives the majority of its funding from the Vancouver Coastal Health Authority (Note 8). These amounts are generally received one month in advance. Therefore, the Society is not exposed to significant credit risk.

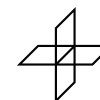
c) Currency risk

Currency risk is the risk that the fair value and/or cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society does not enter into any foreign currency transactions and therefore is not exposed to foreign exchange risk.

d) Market risk

Market risk is the risk that the fair value and/or cash flows of a financial instrument will fluctuate because of changes in market prices. The Society's short-term and long-term investments expose the Society to market risk as such investments are subject to price changes in the open market. The Society does not use derivative financial instruments to alter the effects of this risk.

# ARBUTUS SHAUGHNESSY KERRISDALE FRIENDSHIP SOCIETY



## Notes to Financial Statements

March 31, 2024

Unaudited

### 3. Financial instruments (continued)

#### e) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society's principal sources of capital are its receipts. This capital is used to fund its disbursements, liabilities and other cash requirements. The Society is not exposed to significant liquidity risk.

### 4. Long-term investments

	Market Value		Cost of Securities	
	2024	2023	2024	2023
Marketable Securities	\$ 635,676	580,903	567,856	557,036

The foregoing market values are as reported by Vancity Investment Management.

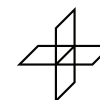
### 5. Capital assets

	Cost	Accumulated Amortization	Net Book Value	
			2024	2023
Automobiles	\$ 206,168	204,331	1,837	2,624
Computer hardware	9,541	7,956	1,585	1,466
Furniture and fixtures	151,866	111,835	40,031	33,098
	\$ 367,575	324,122	43,453	37,188

### 6. Deferred revenue

	2024	2023
Vancouver Coastal Health Authority	\$ 53,749	46,539
Canadian Red Cross	26,982	-
New Horizons for seniors program	21,728	-
	\$ 102,459	46,539

# ARBUTUS SHAUGHNESSY KERRISDALE FRIENDSHIP SOCIETY



## Notes to Financial Statements

March 31, 2024

Unaudited

### 7. Internally restricted net assets

A portion of the Society's unrestricted net assets are internally restricted for the following uses:

	<u>2024</u>	<u>2023</u>
Arbutus Centre capital equipment	\$ 250,000	275,000
Arbutus Centre start-up	200,000	-
Contingency purposes	50,000	50,000
Pearson-Dogwood Centre capital equipment	-	200,000
Staff wellness	22,648	24,098
Vehicle replacement	75,000	75,000
	<u>\$ 597,648</u>	<u>624,098</u>

In fiscal 2024, the Society re-allocated certain internally restricted amounts to better represent the intended use of the assets.

### 8. Economic dependence

The Society is dependent on the Vancouver Coastal Health Authority for continued operations as a significant portion of its receipts are derived from this source.

### 9. Comparative amounts

The comparative amounts have been restated where necessary to conform to the current year's presentation.