

Yellowhead Community Services Society
Financial Statements

March 31, 2017
(Unaudited)

Yellowhead Community Services Society
Statement of Financial Position

As at March 31, 2017
(Unaudited)

	2017	2016
Assets		
Current		
Cash	263,672	346,934
Short term bank deposits	520,444	716,604
Accounts receivable	281,347	129,794
Goods and services tax recoverable	22,469	10,706
Prepaid expenses and deposits	10,406	1,694
	1,098,338	1,205,732
Capital assets (Note 3)	894,461	724,560
Affordable housing project (Note 4)	55,432	-
	2,048,231	1,930,292
Liabilities		
Current		
Accounts payable and accruals	83,312	80,701
Accrued vacation payable	37,510	44,361
Employee deductions payable	24,110	21,587
	144,932	146,649
Deferred facility contributions (Note 6)	296,592	308,950
Deferred revenue (Note 7)	165,785	259,789
	607,309	715,388
Commitments (Note 8)		
Net Assets		
Capital Reserve (Note 9)	703,119	579,317
Contingency Reserve (Note 9)	704,204	590,100
Internally restricted funds (Note 10)	33,599	45,487
	1,440,922	1,214,904
	2,048,231	1,930,292

Approved on behalf of the Board

Director

Director

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, 2017
(Unaudited)

	<i>Capital Reserve</i>	<i>Contingency Reserve</i>	<i>Internally restricted funds</i>	<i>Unrestricted</i>	<i>2017</i>	<i>2016</i>
Net assets, beginning of year	579,317	590,100	45,487	-	1,214,904	1,174,441
Excess (deficiency) of revenue over expenses for the year	(35,048)	-	-	292,803	257,755	55,983
Additions to capital assets	204,949	-	-	(204,949)	-	-
Expenditures from capital replacement reserve	(184,203)	-	-	184,203	-	-
Expenditures from contingency reserve	-	(24,000)	-	24,000	-	-
Expenditures from internally restricted funds	-	-	(31,737)	-	(31,737)	(15,520)
Allocation to reserves	138,104	138,104	19,849	(296,057)	-	-
Net assets, end of year	703,119	704,204	33,599	-	1,440,922	1,214,904

The accompanying notes are an integral part of these financial statements

Yellowhead Community Services Society

Notes to the Financial Statements

For the year ended March 31, 2017
(Unaudited)

1. Status and purpose of the Society

Yellowhead Community Services Society (the "Society") is a not-for-profit registered organization incorporated provincially under the Society Act of British Columbia and is a registered charity under the Income Tax Act. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society offer a large array of services to the individuals and families living in the North Thompson Valley. The services offered include counselling and support programs, public transit, daycare facility, literacy programs and employment services.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Deferred facility contributions

Deferred facility contributions represent the unamortized portion of restricted contributions that were used for building the Society's Neighbourhood House. Recognition of these amounts as revenue is deferred and is recognized in revenue at 4% on a declining balance basis consistent with the rate of amortization of the related capital asset.

Contributed materials and services

The operations of the Society depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not recognized in the financial statements.

Financial instruments

The Society recognizes its financial instruments when the Society becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Society may irrevocably elect to subsequently measure any financial instrument at fair value. The Society has not elected to carry any such financial instruments at fair value.

Financial asset impairment:

The Society assesses impairment of all of its financial assets measured at cost or amortized cost on an annual basis at the end of the fiscal year. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

Yellowhead Community Services Society
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4. Affordable housing project

The Society has initiated an Affordable Housing project wherein the Society shall construct 26 residential units for renting to low-income group families. The construction is expected to commence in the summer of 2017 and shall be funded mostly by interest-free and forgivable loans from B.C. Housing.

5. Line of credit

The Society has a line of credit agreement with the Royal Bank of Canada and Interior Savings Credit Union with credit limits of \$50,000 and \$25,000, respectively. The Royal Bank of Canada line of credit is secured by land and bears interest at prime plus 1.75%. The Interior Savings line of credit is secured by the property at 612 Park Drive and bears interest at 4.20%. As at March 31, 2017, the loan balance totalled \$nil (2016 - \$nil).

6. Deferred facility contributions

Changes in deferred facility contributions are as follows:

	2017	2016
Donations	165,497	165,497
Government funding	295,357	295,357
	460,854	460,854
Less: Accumulated amortization	164,262	151,904
	296,592	308,950

7. Deferred revenue

Funding received in advance of program deliverables being completed are deferred and recognized in the period in which the related activities occur. Revenue deferred at year-end relate to the following:

	2017	2016
Literacy program	62,172	54,982
Challengers Work program	26,313	21,560
Interior Health Authority - 17/18 MH SPO	24,706	-
Ministry of Children and Families	20,670	22,112
B.C. Housing	3,444	4,412
Success By Six	4,163	92,806
Community Living B.C.	7,423	3,518
Licensed childcare program	67	29,429
Miscellaneous	16,827	15,895
B.C. Gaming	-	15,075
	165,785	259,789

8. Commitments

The Society has entered into various lease agreements with estimated minimum annual payments as follows:

2018	46,809
2019	16,768
2020	12,156
2021	11,143

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Liquidity risk

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis when they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments. The Society manages its liquidity risk by constantly monitoring budgeted and actual cashflows and financial liabilities, and by holding enough cash equivalents that can be readily converted into cash. There has been no change in the risk exposure from 2016.

12. Other subsidies, fees and fundraising

	2017	2016
Program fees	189,643	149,704
Daycare fees and child subsidies	172,959	173,239
Miscellaneous	145,254	63,257
Miscellaneous Grants	180,961	59,687
Sales and services	64,378	48,409
Office rent and utilities	37,400	36,286
Fundraising	55,911	68,145
Donations	29,700	7,737
Valemount Learning Centre	28,601	36,128
	904,807	642,592

13. Program support expenses

	2017	2016
Program development	311,609	28,205
Homeshare community inclusion	260,906	273,652
Client and community support costs	157,654	149,318
WorkBC expenses	138,907	186,327
Subcontracted program costs: F. R. Associates	106,925	-
Client supports: WorkBC JCP	84,386	-
Miscellaneous	68,459	8,048
Program facilities expenses	48,504	63,281
BCOC fixed operation fees	37,842	219,826
Subcontracted program costs: FSP	18,640	202,964
Equipment rentals and services	11,591	49,114
Subcontracted program costs: Safe Home services	3,600	-
Subcontract: variable service fees	2,736	54,666
	1,251,759	1,235,401

14. Society remuneration

In accordance with the disclosure requirements of the B.C. Societies Act, for the fiscal year ending March 31, 2017, there was one employee with the remuneration package greater than \$75,000.

15. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation. Earmarked funds are now classified as internally restricted funds under net assets. Amount of allocation to deferred revenue for fiscal 2016 has been reclassified to agree to the ending balance of deferred revenue as at March 31, 2016.