

**LIFT COMMUNITY SERVICES OF QATHET SOCIETY**

**Financial Statements**

**Year Ended March 31, 2024**

**LIFT COMMUNITY SERVICES OF QATHET SOCIETY**

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**Year Ended March 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Lift Community Services of qathet Society

*Report on the Financial Statements*

*Opinion*

We have audited the financial statements of Lift Community Services of qathet Society (the "Society"), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenditures, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Opinion*

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 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 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 ASNPO, 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.

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*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.



Powell River, British Columbia  
June 28, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

**LIFT COMMUNITY SERVICES OF QATHET SOCIETY**

**Statement of Financial Position**

**March 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 2,355,546	\$ 1,609,592
Term deposits (Note 3)	3,427,451	3,262,200
Accounts receivable	461,519	247,561
Goods and services tax recoverable	51,839	28,249
Prepaid expenses and deposits	149,853	87,267
	6,446,208	5,234,869
<b>TANGIBLE CAPITAL ASSETS (Note 4)</b>	<b>691,803</b>	<b>439,432</b>
	<b>\$ 7,138,011</b>	<b>\$ 5,674,301</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 50,730	\$ 54,939
Wages payable	147,176	207,681
Deferred income (Note 5)	4,677,521	3,429,407
	4,875,427	3,692,027
<b>DEFERRED GRANTS (Note 5)</b>	<b>384,729</b>	<b>243,726</b>
	<b>5,260,156</b>	<b>3,935,753</b>
<b>NET ASSETS</b>		
Unrestricted	627,855	488,548
Internally restricted operating reserve	1,250,000	1,250,000
	<b>1,877,855</b>	<b>1,738,548</b>
	<b>\$ 7,138,011</b>	<b>\$ 5,674,301</b>

LEASE COMMITMENTS (Note 6)

**ON BEHALF OF THE BOARD**

Lee Coulter Director

by Hathaway Director

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

**LIFT COMMUNITY SERVICES OF QATHET SOCIETY**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2024**

	2024	2023 <i>(Note 8)</i>
<b>REVENUES</b>		
BC Housing	\$ 2,305,510	\$ 1,769,125
BC Ministry of Social Development and Poverty Reduction	1,808,660	1,735,015
Vancouver Coastal Health Authority	2,094,885	1,259,422
Other grants	657,477	579,451
Government of Canada	470,369	321,358
Fee income and rent	223,327	206,003
Interest	268,562	98,759
Sales	44,574	38,682
Government of BC - Other grants	129,053	171,555
Donations	48,057	10,493
Gains on disposal of assets	400	-
	<u>8,050,874</u>	<u>6,189,863</u>
<b>EXPENSES</b>		
Advertising and promotion	65,105	26,599
Amortization	200,797	145,573
Bad debts	-	44
Client payments	504,308	435,301
Communications	51,863	49,597
Equipment and furniture	145,328	98,648
Facility maintenance	80,292	79,990
GST not recoverable	51,839	23,158
Honorariums	103,706	293,476
Insurance	38,628	29,897
Interest and bank charges	2,635	2,726
Janitorial	130,527	74,056
Memberships, permits and fees	94,074	62,653
Merchandise purchases	-	40,943
Office	57,367	27,631
Professional fees	156,723	169,087
Program supplies and materials	430,162	344,162
Rent and utilities	344,272	340,641
Sub-contracts	404,235	-
Training - staff	90,803	33,681
Travel	35,528	16,608
Wages and benefits	4,923,375	3,749,604
	<u>7,911,567</u>	<u>6,044,075</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>139,307</b>	<b>145,788</b>
<b>OTHER INCOME</b>		
Loss on contractor	-	(80,000)
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 139,307</b>	<b>\$ 65,788</b>

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

**LIFT COMMUNITY SERVICES OF QATHET SOCIETY**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2024**

	2023 Balance	Excess of revenues over expenses	Transfers	2024 Balance
Unrestricted Reserve	\$ 488,548	\$ -	\$ 139,307	\$ 627,855
Administration	-	175,891	(175,891)	-
Work BC	-	35,078	(35,078)	-
Community Resource Centre	-	(59,362)	59,362	-
BC Settlement & Immigration Services	-	(12,300)	12,300	-
Operating Reserve - internally restricted	1,250,000	-	-	<b>1,250,000</b>
	<b>\$ 1,738,548</b>	<b>\$ 139,307</b>	<b>\$ -</b>	<b>\$ 1,877,855</b>

	2022 Balance	Excess of revenues over expenses	Transfers	2023 Balance
Unrestricted Reserve	\$ 1,364,525	\$ -	\$ (875,977)	\$ 488,548
Administration	-	14,950	(14,950)	-
Trans qathet	-	(20,437)	20,437	-
Work BC	-	139,886	(139,886)	-
Community Resource Centre	-	(40,381)	40,381	-
Family Place	-	(2,265)	2,265	-
BC Settlement & Immigration Services	-	(15,965)	15,965	-
qathet Community Justice	-	(10,000)	10,000	-
Food Programs	(191,765)	-	191,765	-
Operating Reserve - internally restricted	500,000	-	750,000	1,250,000
	<b>\$ 1,672,760</b>	<b>\$ 65,788</b>	<b>\$ -</b>	<b>\$ 1,738,548</b>

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

**LIFT COMMUNITY SERVICES OF QATHET SOCIETY****Statement of Cash Flows  
Year Ended March 31, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 139,307	\$ 65,788
Items not affecting cash:		
Amortization of tangible capital assets	200,797	145,573
Gain on disposal of tangible capital assets	(400)	-
	<u>339,704</u>	<u>211,361</u>
Changes in non-cash working capital:		
Accounts receivable	(213,958)	46,331
Goods and services tax recoverable	(23,590)	24,992
Prepaid expenses and deposits	(62,586)	(36,119)
Accounts payable	(4,209)	17,227
Deferred grants	1,248,114	2,422,377
Wages payable	(60,505)	101,236
Deferred grants received related to tangible capital assets	-	(150,000)
Deferred grants - long term	141,003	-
	<u>1,024,269</u>	<u>2,426,044</u>
Cash flow from operating activities	<u>1,363,973</u>	<u>2,637,405</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(453,168)	(118,303)
Proceeds on disposal of tangible capital assets	400	-
Deferred grants received related to tangible capital assets	-	150,000
	<u>(452,768)</u>	<u>31,697</u>
Cash flow from (used by) investing activities	<u>(452,768)</u>	<u>31,697</u>
<b>FINANCING ACTIVITY</b>		
Purchase of short term investments	(165,251)	(3,262,200)
	<u>(165,251)</u>	<u>(3,262,200)</u>
Cash flow from (used by) financing activities	<u>(165,251)</u>	<u>(3,262,200)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>745,954</b>	<b>(593,098)</b>
Cash - beginning of year	<u>1,609,592</u>	<u>2,202,690</u>
<b>CASH - END OF YEAR</b>	<b>\$ 2,355,546</b>	<b>\$ 1,609,592</b>

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



# LIFT COMMUNITY SERVICES OF QATHET SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2024

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### 1. DESCRIPTION OF OPERATIONS

Lift Community Services of qathet Society (the 'Society') was incorporated in 1984 under the Society Act of British Columbia as a not-for-profit organization and is exempt from income tax under section 149(1)(l) of the Income Tax Act. The Society serves the Powell River (qathet) community as a multifaceted organization providing administration and operations of a wide range of community-based services and programs such as employment, mental health, literacy, community resource, and parenting support.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Fund accounting

Revenues and expenses related to program delivery and administrative activities are reported in their respective Fund.

#### Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the Society's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of tangible capital assets;
- the estimated useful lives of tangible capital assets; and
- the recoverability of tangible capital assets.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Furniture and equipment	5 years	straight-line method
Leasehold improvements	5 years	straight-line method

The Society regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

*(continues)*

# LIFT COMMUNITY SERVICES OF QATHET SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Net assets

1. Internally restricted net assets are funds which have been designated for a specific purpose by the Society's Board of Directors.
2. Program net assets are the excess of revenue over expenses accumulated by the specific program each year, net of transfers, and are available for specific program purposes.
3. Unrestricted net assets comprise the excess of revenue over expenses accumulated by the Society each year, net of transfers, and are available for general purposes.

#### Revenue recognition

Lift Community Services of qathet 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. If a contribution is received for the purchase of a specific tangible capital asset, the grant revenues are recognized in income in conjunction with the amortization of the tangible capital asset. 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.

#### Donations

Donations are recorded as revenue in the year received.

### 3. SHORT TERM INVESTMENTS

	<u>2024</u>	<u>2023</u>
High interest savings bearing a variable interest rate	\$ 1,327,467	\$ 1,209,811
National Bank GIC bearing interest at 4.35% per annum, matured January 15, 2024	-	1,009,177
National Bank GIC bearing interest at 4.65% per annum, matured on January 15, 2024	-	1,043,212
National Bank GIC bearing interest at 5.45% per annum, maturing June 24, 2024	1,062,013	-
Vancity GIC bearing interest at 5.45% per annum, maturing July 22, 2024	1,037,971	-
	<u>\$ 3,427,451</u>	<u>\$ 3,262,200</u>

Balances include interest accrued to March 31, 2024.

**LIFT COMMUNITY SERVICES OF QATHET SOCIETY**

**Notes to Financial Statements**

**Year Ended March 31, 2024**

4. TANGIBLE CAPITAL ASSETS

	2024		2023	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 47,030	\$ 35,517	\$ 42,503	\$ 37,386
Furniture and equipment	168,885	84,064	130,051	57,108
Leasehold improvements	1,073,189	477,720	670,881	309,509
	<b>\$ 1,289,104</b>	<b>\$ 597,301</b>	<b>\$ 843,435</b>	<b>\$ 404,003</b>
Net book value	<b>\$ 691,803</b>		<b>\$ 439,432</b>	

5. DEFERRED GRANTS

	Opening balance <i>(Note 8)</i>	Amount recognized as revenue or transferred out	Amount received for subsequent year	Closing balance
Administration	\$ 43,000	\$ 43,000	\$ 195,664	\$ 195,664
Community Resource Centre	249,774	133,381	278,661	395,054
Family Place	58,412	58,412	47,270	47,270
Supportive Housing	61,286	59,918	21,230	22,598
Trans qathet	40,000	40,000	-	-
Community Action Team	53,342	53,342	25,000	25,000
Sustain	66,250	66,250	119,824	119,824
Overdose Prevention Site	56,532	33,199	25,551	48,884
injectable Overdose Agonist Therapy	305,212	305,212	550,561	550,561
Complex Care Housing	2,338,058	2,338,058	3,264,131	3,264,131
qathet Community Justice	12,619	12,619	-	-
Drug Checking	100,000	100,000	-	-
Contingency Management	40,205	40,205	171,994	171,994
Peer2Peer	248,444	248,444	221,270	221,270
	<b>3,673,134</b>	<b>3,532,040</b>	<b>4,921,156</b>	<b>5,062,250</b>
Long term portion of Community Resource Centre	(116,393)	(44,410)	(5,768)	(77,751)
Long term portion of Overdose Prevention Site	(23,333)	(8,000)	-	(15,333)
Long term portion of Complex Care Housing	(104,000)	(76,180)	(263,825)	(291,645)
	<b>(243,726)</b>	<b>(128,590)</b>	<b>(269,593)</b>	<b>(384,729)</b>
	<b>\$ 3,429,408</b>	<b>\$ 3,403,450</b>	<b>\$ 4,651,563</b>	<b>\$ 4,677,521</b>

The grants for leasehold improvements and equipment are being amortized at the same rate as the related tangible capital assets. The long term portion of deferred grants is the amount that will be recognized in revenues subsequent to 2025.

All amounts recognized as revenue or transferred out are recognized revenue except for qathet Community Justice. The qathet Community Justice program has been assumed by a new unrelated society and the opening balance has been paid to the new qathet Community Justice Society to continue operating the program effective April 1, 2023.

# LIFT COMMUNITY SERVICES OF QATHET SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2024

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### 6. LEASE COMMITMENTS

The Society is committed under lease agreements for premises beyond March 31, 2024 as follows:

For Community Resource Centre: to March 2025; monthly lease payments of \$2,625 plus GST.

For Immigration Services: to March 2025; monthly lease payments of \$1,197 plus GST.

For Work BC: to March 2027, monthly lease payments of \$8,620 plus GST.

For CCH and iOAT shared space: to July 2027, monthly lease payments of \$3,075 plus GST.

For Administration: to March 2025; monthly lease payments of \$3,112 plus GST

### 7. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2024.

#### *(a) Credit risk*

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is not exposed to significant credit risk from customers, as the primary sources of funding are from government bodies and the remaining non-government grants are from reputable funding agencies.

#### *(b) Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk in respect of its receipt of funds from its funders, other related sources and accounts payable.

#### *(c) Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its investment policy and investment mix. The Society is exposed to interest rate risk through its floating interest rate on the operating cash account and high interest savings in the short term investments, but offset this with fixed rate GICs in the short term investments.

### 8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

### 9. ADDITIONAL DISCLOSURE REQUIRED UNDER THE SOCIETIES ACT

Included in the British Columbia Societies Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually. During the year, the Society paid eight employees a total of \$661,086.09 in remuneration.

### 10. ECONOMIC DEPENDENCE

The Society derived 77% (2023 - 77%) of its revenues from three (2023 - three) government entities, and is economically dependent upon these entities to maintain the current structure of programs and operations.