Grant Thornton

Financial Statements

Pacific Centre Family Services Association

March 31, 2024

Contents

Independent Auditors' Report

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To the directors of Pacific Centre Family Services Association

Opinion

We have audited the financial statements of Pacific Centre Family Services Association ("the Association"), which 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 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 Pacific Centre Family Services Association as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Association 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 opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association’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 Association’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 Association 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.

Report on other legal and regulatory requirements

As required by the Society's Act (British Columbia), we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis with that of the preceding year.

Grant Thornton LLP

Victoria, Canada
September 4, 2024

Chartered Professional Accountants

Pacific Centre Family Services Association
Statement of Financial Position

Year Ended March 31

	Capital Assets	Operating Fund	Restricted	**Total 2024**	Total 2023
Assets					
Current					
Cash (Note 4)	$ -	$ 601,263	$ -	**$ 601,263**	$ 733,293
Receivables	-	66,784	-	**66,784**	98,706
Prepaids	-	6,156	-	**6,156**	10,160
Interfund balances	-	-	40,560	**40,560**	40,560
	-	674,203	40,560	**714,763**	882,719
Tangible capital assets (Note 3 and 7)	4,442,098	-	-	**4,442,098**	4,667,371
	$ 4,442,098	$ 674,203	$ 40,560	**$ 5,156,861**	$ 5,550,090
Liabilities					
Current					
Payables and accruals	$ -	$ 428,868	$ -	**$ 428,868**	$ 515,342
Deferred revenue (Note 5)	-	612,329	-	**612,329**	690,590
Deferred capital contributions (Note 6)	1,374,185	-		**1,374,185**	1,467,128
Accrued benefits	-	177,238	-	**177,238**	169,759
Current portion of mortgage (Note 7)	1,701,713	-	-	**1,701,713**	56,449
Interfund balances	-	40,560	-	**40,560**	40,560
	3,075,898	1,258,995	-	**4,334,893**	2,939,828
Long-term portion of mortgage (Note 7)	-	-	-	**-**	1,702,369
	3,075,898	1,258,995	-	**4,334,893**	4,642,197
Net Assets					
Unrestricted	-	(584,792)	-	**(584,792)**	(574,092)
Invested in capital assets	1,366,201	-	-	**1,366,201**	1,441,425
Capital replacement reserve	-	-	24,733	**24,733**	24,733
Externally restricted (Note 8)	-	-	15,827	**15,827**	15,827
	1,366,201	(584,792)	40,560	**821,969**	907,893
	$ 4,442,099	$ 674,203	$ 40,560	**$ 5,156,862**	$ 5,550,090

On behalf of the board

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Director

Signed by:
Maria Weaver
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Director

Pacific Centre Family Services Association
Statement of Operations

Year ended March 31	2024	2023
Revenues (Page 14)		
Westshore Community Health Centre	$ 3,847,546	$ 3,098,072
Community outreach prevention and education	461,000	412,794
Youth services	347,514	298,489
Substance use program	287,913	250,710
Community counselling	257,383	271,602
Administration	225,583	199,210
Sexual abuse intervention program	230,508	191,771
Stopping the violence	169,533	168,228
Youth gang intervention	138,650	150,200
Better at home	127,532	123,400
Intake program	-	208,125
Family violence program	64,027	63,801
Short term integrated community counselling	300,000	-
	6,457,189	5,436,402
Salary costs (Page 14)		
Salaries	2,829,086	2,685,401
Physician and nurse practitioner fees	1,946,470	1,348,761
Employee benefits	820,422	664,980
	5,595,978	4,699,142
Expenditures (Page 14)		
Building occupancy	392,015	304,533
Amortization	228,657	228,133
Office	143,161	129,372
Supplies	49,125	74,466
Property taxes	33,991	36,000
Purchased services	63,664	26,683
Interest and bank charges	2,369	15,449
Membership dues	12,795	15,181
Staff training	9,343	9,284
Promotion and publicity	2,950	2,030
Transportation	9,065	9,220
	947,135	850,351
Deficiency of revenue over expenditures from operations	$ (85,924)	$ (113,091)

Pacific Centre Family Services Association
Statement of Changes in Net Assets
Year Ended March 31

	Unrestricted	Invested In Capital Assets	Capital Replacement Reserve	Externally Restricted	**Total 2024**	Total 2023
Balance, beginning of year	$ (574,092)	$ 1,441,425	$ 24,733	$ 15,827	**$ 907,893**	$ 1,020,984
Excess (deficiency) of revenues over expenditures	142,733	(228,657)	-	-	**(85,924)**	(113,091)
Capital Contribution	(92,943)	92,943	-	-	-	-
Interfund transfers (Note 9)	(60,490)	60,490	-	-	**-**	-
Balance, end of year	$ (584,792)	$ 1,366,201	$ 24,733	$ 15,827	**$ 821,969**	$ 907,893

Pacific Centre Family Services Association
Statement of Cash Flows

Year ended March 31	2024	2023
Increase (decrease) in cash		
Operating		
Deficiency of revenue over expenditures	**$ (85,924)**	$ (113,091)
Amortization of tangible capital assets	**228,657**	228,133
	142,733	115,042
Change in non-cash operating working capital		
Receivables	**31,922**	113,513
Prepaids	**4,004**	(6,059)
Payables and accruals	**(86,474)**	184,561
Deferred revenue	**(78,261)**	223,901
Deferred capital contributions	**(92,943)**	824,446
Accrued benefits	**7,479**	28,086
	(71,540)	**1,483,490**
Investing		
Purchase of tangible capital assets	**(3,385)**	(931,638)
Financing		
Mortgage repayments	**(57,105)**	(54,968)
Net increase in cash	**(132,030)**	496,884
Cash, beginning of year	**733,293**	236,409
Cash, end of year	**$ 601,263**	$ 733,293

See accompanying notes to the financial statements

1. Nature of operations

By encouraging healthy patterns of living, Pacific Centre Family Services Association (the "Association") enhances and promotes the quality and dignity of life of individuals and families within our diverse community. The Association is incorporated under the British Columbia Society Act and is a registered charity in accordance with the Income Tax Act of Canada.

2. Summary of significant accounting policies

Basis of presentation

The financial statements of the Association were prepared in accordance with Canadian generally accepted accounting principles using the Canadian account standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Net assets

The Association internally segregates its net assets into the following funds:

The Operating Fund accounts for the Association's program delivery and administrative activities.

The Capital Asset Fund accounts for the capital assets employed in the operations of the Association.

The Capital Replacement Reserve Fund accounts for internally restricted funds set aside by the Board for the required replacement of capital assets.

The Externally Restricted Fund accounts for externally restricted funds received for s specific programs and purposes.

Tangible capital assets

Tangible capital assets are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is provided on a straight line basis over the estimated useful life of the asset.

The following rates applied on a straight line method will apply the cost over the estimated useful lives of the tangible capital assets:

Building	4%
Computer hardware	20%
Furniture and equipment	20%
Medical equipment	20%
Computer software	20%

2. Summary of significant accounting policies (continued)

Impairment of long live assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived assets exceeds its fair value.

Revenue recognition

The Association follows the deferral method of accounting for contributions.

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 contributions are recognized in the year in which the related expenses are incurred.

Contributions for capital assets are deferred until the assets are purchased and are then amortized on the same basis as the assets.

Donations are recorded as revenue when the donation is received by the Association.

Financial instruments

The Association initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions.

The Association 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 Company has elected to measure at fair value. Changes in fair value are recognized in net income.

Financial assets measured at cost or amortized cost less any reduction for impairment include cash and receivables.

Financial liabilities measured at amortized cost include payables and accruals and mortgage payable.

The Association does not have any financial instruments measured at fair value. include

2. Summary of significant accounting policies (continued)

Use of estimates

In preparing the Association's financial statements in conformity with ASNPO requires management 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 the reported amount of revenues and expenses during the reporting period. Significant estimates include the recoverability of receivables, useful life of tangible capital assets and related deferred capital contributions, amount of accrued liabilities and benefits and amount of deferred revenue. While management believes these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

3. Tangible capital assets

			2024	2023
	Cost	Accumulated amortization	**Net book value**	Net book value
Land	$ 658,460	$ -	**$ 658,460**	$ 658,460
Building	4,146,763	559,064	**3,587,699**	3,753,569
Computer hardware	134,962	109,849	**25,113**	35,206
Furniture and equipment	130,572	61,549	**69,023**	94,378
Artwork	31,625	-	**31,625**	31,625
Medical equipment	104,401	43,448	**60,953**	81,833
Website	15,375	6,150	**9,225**	12,300
Computer software	9,882	9,882	**-**	-
	$ 5,232,040	$ 789,942	**$ 4,442,098**	$ 4,667,371

4. Bank indebtedness

The Association has an operating line of credit with Island Savings Credit Union, authorized to a maximum of $400,000. As of March 31, 2024, no amount was drawn on the line of credit (2023: $nil). This line of credit bears interest at bank prime and is secured by a first floating charge over the accounts, investments, and capital assets of the Association.

The Association has an operating line of credit with Vancouver City Savings Credit Union, authorized to a maximum of $200,000. As of March 31, 2024, no amount was drawn on the line of credit (2023: $5,949). This line of credit bears interest at bank prime plus 2% and is secured by a General Security Agreement.

5. Deferred revenue

The amounts reported as deferred revenues represent those amounts that the Association has collected that do not relate to operations conducted during the current fiscal year.

		2024		2023
Balance beginning of the year	$	**690,590**	$	466,689
Amounts received		**3,438,973**		3,513,078
Recognifition of deferred amounts		**(3,523,299)**		(3,289,177)
Balance, end of year	$	**606,264**	$	690,590

6. Deferred capital contributions

During the year, the Association received $nil (2023: $15,375) for the website, $nil (2023: $104,401) for medical equipment, $nil (2023: $723,857) for building renovations, $nil (2023: $8,092) for IT equipment and $nil (2023: $82,228) for furniture and equipment.

As at March 31, 2024, $2,460 (2023: $3,075) has been recognized as revenue for the website, $50,121 (2023: 52,209) has been recognized for the building renovations, $4,928 (2023: $7,674) has been recognized as revenue for the IT equipment and $18,730 (2023: $25,731) has been recognized as revenue for the furniture and equipment, and $16,704 (2023: $20,880 has been recognized as revenue for medical equipment.

7. Mortgage

		2024		2023
VanCity Credit Union mortgage bearing interest at 4.13% with blended monthly payments of $10,686 and maturing in May 2024. The mortgage is secured by land and building with a NBV of $2,940,936 (2023 - $3,106,806).	$	**1,701,713**	$	1,758,818
Less current potion		**1,701,713**		56,449
Due beyond one year	$	**-**	$	1,702,369

Estimated principal repayments are as follows:

2025	$	1,701,713

As part of the mortgage the Association has one financial covenant, as at March 31, 2024 the Association was onside with the covenant.

7. **Mortgage** (continued)

Subsequent to year end the Association renewed its mortgage with CIBC. This new loan will be at a prime rate per annum for a term of 300 months with fixed payments of blended interest and principal of $12,233 per month. The loan is subject to 1 to 1 debt service ratio at all times that will be monitored on an annual basis.

8. Externally restricted

During November 2008, Pacific Centre Family Services Association participated in the delivery of the Child Sexual Abuse Symposium. The Association holds the net assets from the Child Sexual Abuse Symposium in trust, for use toward future symposiums at the discretion of the Association and the Victoria Child Abuse Prevention and Counselling Centre (formerly Mary Manning Centre). No contributions were used towards symposiums in the year (2023: $nil). As at March 31, 2024, the net assets the Association holds in trust for the delivery of future symposiums is $15,827 (2023: $15,827).

9. Interfund transfers

During the year $60,489 was transferred from the Operating Fund to the Capital Fund to pay costs related to the occupancy costs.

10. Allocated expenses

It is the practice of the Association to allocate salaries, wages and benefits of the executive director, administrative assistant, accounting administrator and program managers to specific programs. This allocation is based on resource requirements on an individual program basis. Other administrative costs which are in support of all programs are allocated by a combination of the number of full time employees in each program and the total program revenue.

11. Economic dependence

The Association is economically dependent on the revenues received from government entities. The Association receives 89.99% (2023 – 85.24%) of its total operating revenue from government entities.

12. Risk management

In the normal course of operations, the Association is exposed to interest rate risk, and credit risk. The Association's primary risk management objective is to protect earnings and cash flow and ultimately program service longevity. Risks are managed within limits ultimately established by the Association's Board of Directors and implemented by senior management. These risks and actions taken to manage them are as follows:

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Association is exposed to interest rate risk related to their mortgage.

Credit risk

Credit risk arises from the possibility that a debtor is unable to discharge its obligations to the Association in a timely manner. The Association minimizes its risk through regular monitoring and follow up of its outstanding receivables.

Liquidity risk

The Association's liquidity risk represents the risk that the Association could encounter difficulty in meeting obligations associated with its financial liabilities. The Association is, therefore, exposed to liquidity risk with respect to its accounts payable, accrued benefits, and the mortgage.

13. Employee pension plan

The Association and certain of its employees contribute to the Municipal Pension Plan. The Plan is a multi-employer defined benefit plan. The British Columbia Pension Corporation administers the Plan, including the payment of pension benefits on behalf of employers and employees in accordance with the Public Sector Pension Plans Act and the Municipal Pension Plan Rules.

The risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the Plan's members and may be reflected in their future contributions. During the year the Association contributed $238,776 (2023: $187,852) on behalf of the employees.

Based on the most recent actuarial valuation as of December 2022, the Municipal Pension Plan is fully funded as of that date. Portions of any surplus or deficiency are not attributed to individual employers.

14. Victoria Foundation Fund

The Association established the Pacific Centre Family Services Fund, a Hosted Endowment Fund with the Victoria Foundation. The Association or others may make additional gifts to be held in perpetuity as capital of the Fund. Annual distributable returns of the Fund may be distributed as grants to registered charities or other qualified donees. The fair market value of the Fund at March 31, 2024 is $49,693 (2023: $46,601).

15. Remuneration

Under the British Columbia Societies Act, there 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 Association paid no remuneration to directors.

During the year, the Association paid $2,919,983 (2023: $1,794,197) in remuneration to 24 employees and contractors (2023: 14) whose remuneration during the period was at least $75,000.

16. Related parties

Pacific Centre Family Services Association and the Pacific Centre Family Services Foundation are related societies. The Foundation exists to support the work of the Association.
During the year no transactions took place between the Association and the Pacific Centre Family Services Foundation.