

FAMILY SERVICES OF THE NORTH SHORE

FINANCIAL STATEMENTS

31 MARCH 2024

FAMILY SERVICES OF THE NORTH SHORE
Financial Statements

For the year ended 31 March 2024

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INDEPENDENT AUDITORS' REPORT

To the Members,
Family Services of the North Shore

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Family Services of the North Shore (the "Society"), which comprise the statement of financial position as at 31 March 2024, and the statements of changes in net assets, operations 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 31 March 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.

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 Auditors' 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 opinion.

Other Information

Management is responsible for the other information. The other information comprises the condensed financial information included in the annual report. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITORS' REPORT - Continued

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.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT - Continued

- ◆ 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 auditors' 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 auditors' 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.

Report on Other Legal and Regulatory Requirements

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



CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
21 May 2024

FAMILY SERVICES OF THE NORTH SHORE
Statement of Financial Position
31 March 2024

	2024	2023
Assets		
Current		
Cash	\$ 633,430	\$ 390,388
Investments (Note 3)	30,802	171,658
Accounts receivable	101,565	45,966
GST receivable	23,040	20,461
Prepaid expenses	6,500	-
Due from Family Services of the North Shore Foundation (Note 14)	204,137	239,159
	999,474	867,632
Tangible capital assets (Note 4)	187,002	180,804
	\$ 1,186,476	\$ 1,048,436

Liabilities

Current		
Accounts payable and accrued liabilities (Note 5)	\$ 243,673	\$ 239,479
Deferred revenue (Note 6)	338,508	182,567
	582,181	422,046
Deferred capital contributions (Note 7)	61,951	77,057
Deferred tenant allowance (Note 8)	5,241	12,230
	649,373	511,333

Net Assets

Internally restricted appropriated surplus (Note 2(e)(i))	400,000	400,000
Invested in tangible capital assets (Note 2(e)(ii))	125,051	103,747
Unrestricted	12,052	33,356
	537,103	537,103
Commitments (Note 9)		
	\$ 1,186,476	\$ 1,048,436

APPROVED BY THE BOARD:

Nancy Adie Mackay Director
Alison Parry Director

The accompanying notes are an integral part of these financial statements

FAMILY SERVICES OF THE NORTH SHORE
Statement of Changes in Net Assets
For the year ended 31 March 2024

	Internally Restricted Appropriated Surplus	Invested in Tangible Capital Assets	Unrestricted	Total 2024	Total 2023
Balance - beginning of year	\$ 400,000	\$ 103,747	\$ 33,356	\$ 537,103	\$ 537,103
Excess (deficiency) of revenues over expenses for the year	-	(31,736)	31,736	-	-
Purchase of tangible capital assets	-	84,539	(84,539)	-	-
Deferred capital contributions received	-	(31,499)	31,499	-	-
Balance - end of year	\$ 400,000	\$ 125,051	\$ 12,052	\$ 537,103	\$ 537,103

The accompanying notes are an integral part of these financial statements

FAMILY SERVICES OF THE NORTH SHORE
Statement of Operations
For the year ended 31 March 2024

	2024	2023
Revenues		
Government of British Columbia (Notes 12 and 13)	\$ 3,049,333	\$ 2,413,832
Contributions from Family Services of the North Shore Foundation (Note 14)	1,783,649	1,781,487
Grants and foundations	419,054	604,269
Municipal government (Note 2(i))	193,688	179,760
Gaming	170,755	171,000
Professional services	150,945	145,355
United Way	103,000	100,000
Investment and other income (Note 10)	74,881	80,722
Government of Canada	71,892	71,892
Amortization of deferred capital contributions (Note 7)	46,605	42,900
	6,063,802	5,591,217
Expenses		
Salaries and benefits (Note 16)	4,086,651	3,799,411
Transfers to other agencies (Note 12)	812,812	682,705
Program expenses	325,602	274,498
Rent and utilities (Note 2(i) and 8)	300,335	317,209
Office and sundry	209,135	170,416
Telephone	62,240	59,447
Consulting	56,599	51,992
Promotion and publicity	37,301	57,006
Audit and legal	32,048	30,713
Staff development and professional dues	29,272	22,764
Insurance	28,533	26,253
Transportation	3,046	3,380
Computer expense	1,917	16,889
Amortization of tangible capital assets	78,341	76,067
	6,063,832	5,588,750
Excess (deficiency) of revenues over expenses from operations	(30)	2,467
Other income (expense)		
Realized and unrealized gains (losses) on investments	30	(2,467)
	30	(2,467)
Excess of revenues over expenses for the year	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

FAMILY SERVICES OF THE NORTH SHORE
Statement of Cash Flows
For the year ended 31 March 2024

	2024	2023
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenses for the year	\$ -	\$ -
Items not involving cash		
Amortization of tangible capital assets	78,341	76,067
Amortization of deferred capital contributions	(46,605)	(42,900)
Realized and unrealized losses (gains) on investments	(30)	2,467
	31,706	35,634
Changes in non-cash working capital balances		
Accounts receivable	(55,599)	(21,026)
GST receivable	(2,579)	(5,510)
Prepaid expenses	(6,500)	4,500
Accounts payable and accrued liabilities	4,194	100,985
Deferred revenue	155,941	(34,187)
Decrease (increase) in due to Family Services of the North Shore Foundation	35,022	(61,797)
	162,185	18,599
Investing activities		
Decrease in investments	140,886	148,013
Purchase of tangible capital assets	(84,539)	(39,300)
Deferred capital contributions received	31,499	-
	87,846	108,713
Financing activity		
Deferred tenant allowance	(6,989)	(6,988)
	-	-
Net increase in cash	243,042	120,324
Cash - beginning of year	390,388	270,064
Cash - end of year	\$ 633,430	\$ 390,388

The accompanying notes are an integral part of these financial statements

FAMILY SERVICES OF THE NORTH SHORE
Notes to the Financial Statements
For the year ended 31 March 2024

1. Purpose of the organization

Family Services of the North Shore ("Family Services") is a not-for-profit agency providing family counselling services and other related programs. Family Services is incorporated under the Societies Act (British Columbia) as a non-profit organization and is a registered charity under the Income Tax Act.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Financial instruments

(i) Measurement of financial instruments

Family Services initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, accounts receivable, and amounts due from Family Services of the North Shore Foundation.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments. Fair value is determined on the basis of market value or cost plus accrued interest.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statements of operations.

(iii) Transaction costs

Family Services recognizes its transaction costs in the statements of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

FAMILY SERVICES OF THE NORTH SHORE
Notes to the Financial Statements
For the year ended 31 March 2024

2. Summary of significant accounting policies - Continued

(b) Revenue recognition

- (i) Family Services follows the deferral method of accounting for contributions and government funding. Restricted contributions and funding are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and funding are recognized as revenue when received or receivable if the amount to be received can be estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.
- (ii) Investment income is recognized as revenue when earned. Investment income includes interest and realized and unrealized investment gains and losses. Unrealized gains and losses of held-for-trading financial assets are included in investment income and recognized as revenue in the statement of operations, deferred or reported directly in net assets, depending on the nature of any external restrictions imposed on the investment income.
- (iii) Professional services revenue is recognized when the services have been rendered, services have been delivered to the customer and there are no significant vendor obligations remaining, the price is fixed or determinable, and collectability is reasonably assured.
- (iv) Fundraising revenue is recognized when received.

(c) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

(d) Tangible capital assets

Tangible capital assets are recorded at cost. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following annual rates:

Computer equipment	30%
Furniture and fixtures	20%
Office equipment	20%

Leasehold improvements are recorded at cost and amortized over the lease term.

FAMILY SERVICES OF THE NORTH SHORE
Notes to the Financial Statements
For the year ended 31 March 2024

2. Summary of significant accounting policies - Continued

(e) Net assets

Family Services has segregated its net assets to include the following funds:

(i) Appropriated surplus

This fund was established to ensure continuity of operations. Approximately two months of salary and benefits and rent related costs are accumulated in this fund.

(ii) Tangible capital assets

This fund includes those amounts that relate to the facilities of Family Services and are either financed by specific grants or appropriation from specified programs and unrestricted funds.

(f) Deferred capital contributions

Contributions received for the acquisition of tangible capital assets are deferred in the accounts and amortized over the same term and on the same basis as the related tangible capital asset.

(g) Deferred tenant allowances

Deferred tenant allowances are recorded on the statement of financial position and amortized using the straight-line method over the term of the lease.

(h) Contributed services

Volunteers contributed approximately 13,341 hours (2023 - 11,945) in the year, which were shared between the various Society services. Contributed services are not recognized in the financial statements, as there is difficulty in determining their monetary value, although they provide significant value to the health of the community.

(i) Gifts in kind

During the year, Family Services issued tax receipts to individuals and businesses in the amount of \$179,589 (2023 - \$183,580) for non-monetary donations. These donations are valued at the fair value or a reasonable estimate of the fair value, and they are not reflected in the accounting records of Family Services.

During the year, Family Services received in-kind donations for property taxes of \$36,341 (2023 - \$35,072) from the City of North Vancouver. This amount is included both in revenue from municipal governments and rent and utilities expense.

During the year, Family Services also received contributed services in the form of free rent. These amounts have not been reflected in the accounting records of Family Services due to the difficulty in determining their fair value.

FAMILY SERVICES OF THE NORTH SHORE
Notes to the Financial Statements
For the year ended 31 March 2024

2. Summary of significant accounting policies - Continued

(j) Impairment of long-lived assets

Family Services tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When a tangible capital asset no longer contributes to the services provided by Family Services, its carrying amount is written down to its residual value. No impairment losses were determined by management to be necessary for the year.

(k) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Items requiring the use of management estimates include amortization periods and rates related to tangible capital assets and deferred capital contributions, allocation of operating expenses to Family Services of the North Shore Foundation and recognition of accrued liabilities. Management believes that the estimates utilized in preparing the financial statements are reasonable; however, actual results could differ from those reported.

(l) Pension plan

Family Services is a member of the British Columbia Municipal Pension Plan (the "Plan"), effective 1 January 2024. The Plan is a multi-employer contributory defined benefit pension plan providing a pension on retirement based on various factors including age at retirement, length of service and earnings. As the assets and liabilities of the Plan are not segregated by member, the Plan is accounted for as a defined contribution plan and any contributions of Family Services to the Plan are expensed as incurred.

FAMILY SERVICES OF THE NORTH SHORE
Notes to the Financial Statements
For the year ended 31 March 2024

3. Investments

Investments are recorded at fair value and consist of cash and cash equivalents, and a term deposit held at year end. The term deposit bears an interest rate of 5.00% and matures on 7 December 2024.

	2024		2023	
	Cost	Market value	Cost	Market value
Cash and cash equivalents	\$ 16,539	\$ 16,539	\$ 158,043	\$ 158,043
Term deposit	14,263	14,263	13,615	13,615
	\$ 30,802	\$ 30,802	\$ 171,658	\$ 171,658

4. Tangible capital assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 216,918	\$ 144,809	\$ 185,419	\$ 120,655
Furniture and fixtures	100,514	49,604	79,501	52,396
Office equipment	63,268	28,910	42,701	22,891
Leasehold improvements	395,000	365,375	395,000	325,875
	775,700	588,698	702,621	521,817
Net book value	\$ 187,002		\$ 180,804	

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is government remittances of \$15,932 (2023 - \$28,446).

FAMILY SERVICES OF THE NORTH SHORE
Notes to the Financial Statements
For the year ended 31 March 2024

6. Deferred revenue

Deferred revenue represents contributions received by Family Services that are related to expenses of future years. Changes in the deferred revenue balance are as follows:

	2024	2023
Balance - beginning of year	\$ 182,567	\$ 216,754
Add: amounts received in the year	338,508	257,566
Less: amounts recognized as revenue in the year	(182,567)	(291,753)
Balance - end of year	\$ 338,508	\$ 182,567

7. Deferred capital contributions

Deferred capital contributions consist of funds received that are restricted for the purpose of purchasing tangible capital assets.

In 2015, Family Services received a restricted contribution of \$395,000 from Family Services of the North Shore Foundation, to fund the tenant improvements of the office premises at 1111 Lonsdale Avenue, North Vancouver.

In 2021, Family Services received deferred capital contributions of \$19,045 for the purchase of computer equipment.

In the current year, Family Services received deferred capital contributions of \$31,499 for the purchase of computer equipment.

	2024	2023
Balance - beginning of year	\$ 77,057	\$ 119,957
Add: amounts received in the year	31,499	-
Less: amounts recognized as revenue during the year	(46,605)	(42,900)
Balance - end of year	\$ 61,951	\$ 77,057

FAMILY SERVICES OF THE NORTH SHORE
Notes to the Financial Statements
For the year ended 31 March 2024

8. Deferred tenant allowance

	2024		2023
Balance - beginning of year	\$ 12,230	\$	19,218
Amortization of deferred tenant allowances	(6,989)	(6,988)	(6,988)
Balance - end of year	\$ 5,241	\$	12,230

In accordance with the terms of the lease agreement commencing in fiscal year 2015, a tenant improvement allowance of \$69,884 has been recorded in the accounts. The allowance is being amortized on a straight-line basis over the 10 year term of the lease. The annual allowance is reported as a reduction of rent and utilities cost.

9. Commitments

Family Services entered into a lease for office premises located at 1111 Lonsdale Avenue, North Vancouver commencing 1 January 2015 and expiring 31 December 2024. Family Services is also responsible for its proportionate share of operating costs and GST.

As of 31 March 2024, Family Services expects to extend the lease term with a renewal period of 5 years, expiring 31 December 2029.

Future minimum lease payments (not including operating costs) due in the next year as follows:

2025	\$ 109,940
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10. The Family Services of the North Shore Endowment Fund

Pursuant to a deed of gift between Family Services and the Vancouver Foundation, an endowment (the "Fund") was established. The income of the Fund is to be used for the maintenance, development and enhancement of Family Services. The balance of contributed funds, which are accounted for in the Vancouver Foundation's financial statements, at 31 March 2024 was \$565,400 (2023 - \$565,400). These funds had a market value of \$896,400 at 31 March 2024 (2023 - \$847,342). During the year, Family Services received income of \$40,076 (2023 - \$39,279) from the Fund.

FAMILY SERVICES OF THE NORTH SHORE
Notes to the Financial Statements
For the year ended 31 March 2024

11. Employee future benefits

Family Services and its employees contribute to the Municipal Pension Plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021, the Plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits and a balance of \$3,185 million in the rate stabilization account. The next valuation will be December 31, 2024, with results available in September 2025.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

Family Services' expense for the year ended 31 March 2024 in respect of pension contributions for its employees amounted to \$269,231 (2023 - \$224,491).

12. Economic dependence

Family Services receives a significant portion of its funding from the Province of British Columbia. If the Province was to substantially cut funding to Family Services, the current operations of Family Services would be affected and accordingly, alternate funding sources would be required. Family Services signed multi-year contracts with the Ministry of Children and Family Development to provide services for the periods up to 31 March 2024 and 31 March 2025.

Under the terms of the funding contracts with the Ministry of Children and Family Development, Family Services paid \$812,812 (2022 - \$682,705) to other agencies for services performed during the year.

FAMILY SERVICES OF THE NORTH SHORE
Notes to the Financial Statements
For the year ended 31 March 2024

13. Stopping the Violence Program

Family Services has an agreement with the Province of British Columbia, as represented by the Minister of Public Safety and Solicitor General, for Stopping the Violence Counselling Program for the term 1 April 2022 to 31 March 2024. Under the terms of the agreement, Family Services received payments of \$449,239 (2022 - \$376,479) from the Province and made disbursements of \$440,424 (2023 - \$444,104) during the year.

14. Controlled entity

The Family Services of the North Shore Foundation (the "Foundation") is incorporated under the Societies Act (British Columbia) and is a registered charity under the Income Tax Act. Membership of the Foundation is comprised of the Board of Directors of Family Services, who elects a Board of Directors for the Foundation.

The purpose of the Foundation is to raise funds from investments, donations, and events on behalf of Family Services. The Foundation's constitution states that all funding must be provided to Family Services or benefit Family Services.

The Foundation has not been consolidated in Family Services' financial statements. A financial summary of the Foundation as at 31 March 2024 and 2023 and for the years then ended is as follows:

	2024	2023
Financial Position		
Cash	\$ 743,420	\$ 296,790
Investments	4,068,970	4,485,189
Accounts receivable	2,107	16,441
Prepaid expenses	23,588	-
Total assets	\$ 4,838,085	\$ 4,798,420
Total liabilities	\$ 336,493	\$ 269,529
Total net assets	4,501,592	4,528,891
	\$ 4,838,085	\$ 4,798,420

FAMILY SERVICES OF THE NORTH SHORE
Notes to the Financial Statements
For the year ended 31 March 2024

14. Controlled entity - Continued

	2024	2023
Results of Operations		
Total revenues	\$ 1,742,514	\$ 1,604,555
Total expenses	<u>(2,008,868)</u>	<u>(2,003,550)</u>
	<u>\$ (266,354)</u>	<u>\$ (398,995)</u>

Amounts due to Family Services of the North Shore Foundation do not bear interest, are unsecured and have no fixed payment terms.

During the year, operating expenses of \$147,046 (2023 - \$147,840) were allocated from Family Services to the Foundation.

These transactions are in the normal course of operations and have been valued in these financial statements at the amounts exchange value which is the amount of consideration established and agreed to by the related parties.

15. Financial instruments

Family Services is exposed to various risks through its financial instruments. The following analysis provides a measure of Family Services' risk exposure and concentrations at the statement of financial position date, 31 March 2024.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Family Services is exposed to this risk mainly in respect to its accounts payable and accrued liabilities. Family Services reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; monitors and manages its cash and investment balance to ensure adequate cash flow is available to repay trade creditors as payments become due. There has been no change to the risk exposure from the prior year.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Family Services main credit risk relates to its cash and accounts receivable. Cash is in place with major federally regulated financial institutions located in Canada and accounts receivables are primarily from government funding. There has been no change to the risk exposure from the prior year.

FAMILY SERVICES OF THE NORTH SHORE
Notes to the Financial Statements
For the year ended 31 March 2024

15. Financial instruments - Continued

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Family Services is mainly exposed to interest rate risk and other price risk. There has been no change to the risk exposure from the prior year.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Family Services is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject Family Services to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Family Services is exposed to other price risk through its investments. There has been no change to the risk exposure from prior year.

16. Management and director remuneration

The Societies Act (British Columbia) requires a society (other than a society designated as a member-funded society) to include, in its financial statements, the disclosure of any remuneration paid to its directors, and remuneration paid to employees and contractors earning more than \$75,000 during the fiscal year. For the fiscal year ended 31 March 2024, Family Services had ten employees (2023 - twelve employees) with remuneration in excess of \$75,000. The total amount of the employees' remuneration of \$1,026,621 (2023 - \$1,122,023) is included in salaries and wages. The directors of Family Services did not receive any remuneration during the 2024 or 2023 fiscal year.