

Sources Community Resources Society
Financial Statements
March 31, 2024

Independent Auditor's Report

To the Board of Sources Community Resources Society:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sources Community Resources Society (the "Society"), 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 the 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.

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 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 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.

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.

MNP LLP

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- 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, these standards have been applied on a basis consistent with that of the previous year.

Surrey, British Columbia

July 3, 2024

MNP LLP

Chartered Professional Accountants

Sources Community Resources Society

Statement of Financial Position

As at March 31, 2024

	2024	2023
Assets		
Current		
Cash and cash equivalents	3,750,873	4,513,410
Accounts receivable	714,273	544,615
Marketable securities (Note 3)	458,646	416,291
Prepaid expenses	152,948	175,478
Government agencies receivable	89,724	144,972
Term deposit (Note 4)	310,334	200,000
	5,476,798	5,994,766
Long-term term deposit (Note 4)	-	100,750
Capital assets (Note 5)	8,016,130	8,305,393
	13,492,928	14,400,909
Liabilities		
Current		
Accounts payable and accruals (Note 11)	3,624,543	3,119,853
Deferred contributions (Note 6)	1,822,865	2,414,632
Current portion of long-term debt (Note 7)	2,453	784,287
Replacement reserve (Note 8)	40,089	40,089
	5,489,950	6,358,861
Long-term debt (Note 7)	-	2,195
Deferred contributions related to capital assets (Note 9)	460,878	544,738
	5,950,828	6,905,794
Commitments (Note 10)		
Net Assets		
Net assets invested in capital assets	7,552,801	6,974,175
Unrestricted net assets	(10,701)	520,940
	7,542,100	7,495,115
	13,492,928	14,400,909

Approved on behalf of the Board

e-Signed by Jatinder Heer

2024-07-01 22:16:50:50 MDT
Director

e-Signed by Rupinder Khunkhun

2024-07-03 12:36:41:41 MDT
Treasurer

The accompanying notes are an integral part of these financial statements

Sources Community Resources Society Statement of Operations

For the year ended March 31, 2024

	2024	2023
Revenue		
Donations		
Sources Community Resources Foundation (Note 11)	606,782	365,448
Other	976,422	1,013,976
Grant revenue		
Law Foundation	662,069	645,519
Sources Community Resources Foundation (Note 11)	6,773	6,773
United Way	242,712	275,650
Other (Note 11)	1,032,610	1,053,050
Earned income	3,539,090	2,694,945
Federal contracts	791,141	640,024
Gaming income	245,978	252,985
Provincial contracts	23,709,157	20,558,201
Regional Health Board Contracts	1,219,968	986,482
Subsidies - B.C. Housing Management Commission	27,048	27,050
	33,059,750	28,520,103
Expenses		
Amortization	371,285	388,024
Building occupancy	1,022,485	674,622
Employee benefits	4,802,581	4,090,487
Food and residential care costs	452,919	348,185
Interest on long-term debt	24,346	49,309
Office	1,222,559	1,192,776
Program furnishings and equipment	303,059	251,629
Program materials and activities	911,277	792,823
Public relations	67,175	63,859
Purchased services	1,969,616	1,994,255
Recruitment and staff development	232,189	307,957
Rent	1,432,758	1,350,572
Salaries	19,481,532	16,452,698
Travel	469,339	470,446
	32,763,120	28,427,642
Excess of revenue over expenses before other items	296,630	92,461
Other items		
Gain arising from increase in fair value of marketable securities	47,355	16,291
Gain (loss) on disposal of capital assets	3,000	(625)
Charitable disbursement to Sources Community Resources Foundation (Note 11)	(300,000)	-
	(249,645)	15,666
Excess of revenue over expenses	46,985	108,127

The accompanying notes are an integral part of these financial statements

Sources Community Resources Society Statement of Changes in Net Assets

For the year ended March 31, 2024

	<i>Net assets invested in capital assets</i>	<i>Unrestricted net assets</i>	2024	2023
Net assets, beginning of the year	6,974,175	520,940	7,495,115	7,386,988
Excess (deficiencies) of revenue over expenses	(287,425)	334,410	46,985	108,127
Investment in capital assets	82,022	(82,022)	-	-
Principal repayments of long-term debt	784,029	(784,029)	-	-
Net assets, end of year	7,552,801	(10,701)	7,542,100	7,495,115

The accompanying notes are an integral part of these financial statements

Sources Community Resources Society
Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenue over expenses	46,985	108,127
Amortization	371,285	388,024
Gain arising from unrealized fair value of marketable securities	(47,355)	(16,291)
Gain (loss) on disposal of capital assets	(3,000)	625
Recognition of deferred capital contributions	(83,860)	(92,140)
	284,055	388,345
Changes in working capital accounts		
Accounts receivable	(169,658)	79,799
Government agencies receivable	55,248	(57,654)
Prepaid expenses	22,530	146,687
Accounts payable and accruals	504,690	104,807
Deferred contributions	(591,767)	126,272
	105,098	788,256
Financing activities		
Repayment of long-term debt	(784,029)	(83,053)
Increase in replacement reserve	-	4,174
	(784,029)	(78,879)
Investing activities		
Purchase of marketable securities	-	(400,000)
Purchase of capital assets	(82,022)	(1,265,000)
Purchase of term deposit	(9,584)	(100,750)
Proceeds on disposal of marketable securities	5,000	-
Proceeds on disposal of capital assets	3,000	-
	(83,606)	(1,765,750)
Decrease in cash resources	(762,537)	(1,056,373)
Cash resources, beginning of year	4,513,410	5,569,783
Cash resources, end of year	3,750,873	4,513,410

The accompanying notes are an integral part of these financial statements

Sources Community Resources Society

Notes to the Financial Statements

For the year ended March 31, 2024

1. Incorporation and nature of the Society

Sources Community Resources Society (the "Society") was incorporated under the authority of the Society Act of British Columbia as a not-for-profit organization and is a registered charity, and thus is exempt from income taxes under the Income Tax Act (the "Act"). In order to maintain its status as a registered not-for-profit under the Act, the Society must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Society's purpose is to identify human needs in British Columbia, and to respond to them in a creative and caring way. This is achieved by providing information, services and advocacy, working with others in a way that promotes involvement and self-reliance, and expressing a spirit of community.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Term deposits

Term deposits consist of twelve-month investments, recorded at cost. Term deposits that mature under twelve months subsequent to March 31, 2024 have been classified as current assets in concurrence with the nature of the investment.

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. They consist of equities and bonds which are all traded in the public markets. Changes in fair value are recorded immediately in the excess of revenues over expenses.

Capital assets

Purchased capital assets are initially recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method over terms intended to amortize the cost of assets over their estimated useful lives.

	Term
Buildings	50 years
Automotive	5 years
Equipment	10 years
Electronic equipment	5 years

Leasehold improvements are amortized on a straight-line basis over the underlying lease term, being 5 years.

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Society writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Society's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Society determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Collections

The collection of works of art is recognized in the statement of financial position. Purchases of collection items are accounted for at cost. Contributions of collection items are accounted for at fair value based on market value. When fair value cannot be determined, the contribution is recorded at its nominal value. The works of art are not amortized as the assets are deemed to have indefinite useful lives.

2. Change in accounting policies *(Continued from previous page)*

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.

Other income is recognized as revenue when the services are provided, the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance is recognized when there is reasonable assurance that the Society has complied and will continue to comply with all conditions of the assistance. Government assistance towards current expenses is recognized in income for the period as other income.

Measurement uncertainty

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Employee future benefits

The Society is part of a multiemployer defined benefit plan, the Municipal Pension Plan ("MPP") for which there is insufficient information to apply defined benefit plan accounting because the actuary does not attribute portions of the surplus to individual employers. Accordingly, the Society is not able to identify its share of the plan assets and liabilities, and therefore, the Society uses defined contribution plan accounting for this plan.

Replacement reserve

In accordance with the operating agreement between the Society and the British Columbia Housing Management Commission ("BCHMC"), a replacement reserve fund has been established. The replacement reserve is funded from the Society's operating budget through an annual transfer to the reserve. The use of the funds is restricted for replacement or repair of capital assets of Chestnut House.

Contributed materials and services

The Society benefits from services in the form of volunteer time and from contributed materials. Due to the difficulty of determining their fair value, the value of the volunteer services is not recorded in the financial statements. Contributed materials are recorded at their fair market value, if determinable, at the date of contribution.

Financial instruments

The Society recognizes financial instruments when the Society becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at cost.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures financial assets and liabilities at amortized cost.

Sources Community Resources Society

Notes to the Financial Statements

For the year ended March 31, 2024

2. Significant accounting policies (Continued from previous page)

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Society initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at cost on initial recognition

When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 11).

At initial recognition, the Society may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Society has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

Financial asset impairment

The Society assesses impairment of all its financial assets measured at cost or amortized cost. The Society groups assets for impairment testing when there are numerous assets affected by the same factors. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments 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.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

Controlled entity

The Society is deemed to control another not-for-profit organization, Sources Community Resources Foundation ("the Foundation"). The Foundation has not been consolidated in the Society's financial statements. The financial summary of the unconsolidated entity, as at March 31, 2024 and 2023, and for the years then ended are disclosed in the notes to the financial statements in accordance with Section 4450 *Reporting Controlled and Related Entities by Not-for-profit Organizations* (Note 14).

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess of revenues over expenses for the current period.

3. Marketable securities

Included in marketable securities are investments in equities and bonds which have a total book value of \$409,296 (2023 - \$403,417).

Sources Community Resources Society Notes to the Financial Statements

For the year ended March 31, 2024

4. Term deposits

	2024	2023
Measured at cost:		
Vancity Credit Union, twelve-month term deposit earning interest at 4.55% (2023 - 4.55%) annually, maturing February 2025	105,334	100,750
Envision Credit Union, twelve-month term deposit earning interest at 4.75% (2023 - 4.75%) annually, maturing February 2025	100,000	100,000
National Bank, term deposit earning interest interest at 5.11% (2023 - 5.83%) annually, maturing November 2024	105,000	100,000
	310,334	300,750
Less: current portion	310,334	200,000
	-	100,750

5. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	3,956,984	-	3,956,984	3,956,984
Buildings	6,340,507	2,807,472	3,533,035	3,663,225
Automotive Equipment	1,059,284	877,088	182,196	222,253
Electronic equipment	869,565	726,130	143,435	176,338
Leasehold improvements	457,899	300,915	156,984	226,824
Artwork	132,911	100,365	32,546	48,819
	10,950	-	10,950	10,950
	12,828,100	4,811,970	8,016,130	8,305,393

6. Deferred contributions

Deferred contributions consist of amounts received from contributors who have restricted their use for various specific programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2024	2023
Balance, beginning of year	2,414,632	2,288,360
Amount received during the year	26,196,884	23,558,473
Less: Amount recognized as revenue during the year	(26,788,651)	(23,432,201)
	1,822,865	2,414,632

Deferred contributions are comprised of the below:

	2024	2023
British Columbia Gaming Grant	299,491	287,605
Deferred Federal/Provincial contract revenue	1,523,374	2,127,027
	1,822,865	2,414,632

Sources Community Resources Society
Notes to the Financial Statements
For the year ended March 31, 2024

7. Long-term debt

	2024	2023
BC Housing and Mortgage Corporation - repayable in monthly instalments of \$820 including interest at 1.69% per annum. Secured by a charge on the financed land and building with a net book value of \$196,853 (2023 - \$200,922); matures June 1, 2024.	2,453	12,166
Scotiabank - demand mortgage fully repaid during the year ended March 31, 2024.	-	774,316
	2,453	786,482
Less: Current portion	2,453	784,287
	-	2,195

8. Replacement reserve

As at March 31, 2024, the replacement reserve was funded and maintained in accordance with the BCHMC operating agreement.

The replacement reserve consists of the following:

	2024	2023
Balance, beginning of year	40,089	35,915
Replacement reserve provision	-	4,174
	40,089	40,089

9. Deferred contributions related to capital assets

	2024	2023
Balance, beginning of year	544,738	636,878
Less: Amounts recognized as revenue during the year	(83,860)	(92,140)
Balance, end of year	460,878	544,738

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

10. Commitments

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

2025	634,372
2026	437,267
2027	151,662
2028	70,488
	1,293,789

Sources Community Resources Society

Notes to the Financial Statements

For the year ended March 31, 2024

11. Related party transactions

The Foundation is deemed to be controlled by the Society by virtue of common management and board members.

The Society recorded donations and grants revenue of \$621,442 (2023 - \$372,221) from the Foundation.

The Society paid donations of \$300,000 (2023 - nil) to the Foundation.

Included in accounts payable and accruals is \$198,699 (2023 - nil) due to the Foundation.

The above transactions and balances are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

12. Employee future benefits

The Society and its employees contribute to the Municipal Pension Plan (a jointly trustee 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, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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 Municipal Pension Plan as at December 31, 2021, indicated a \$3.761 billion funding surplus for basic pension benefits on a going concern basis.

The Society paid \$1,356,196 (2023 - \$1,162,806) for employer contributions to the plan in fiscal 2024

The next valuation will be as at December 31, 2024.

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.

13. Employee and director compensation

During the year ended March 31, 2024, fifty-six (2023 - seventy-one) employees and contractors earned over \$75,000 in remuneration, inclusive of salary, pension and other benefits, totaling \$5,393,478 (2023 - \$6,784,803). No remuneration was paid to the members of the Society's Board of Directors during the years ended March 31, 2024 and 2023.

14. Sources Community Resources Foundation

The Foundation is deemed to be controlled by the Society by virtue of common management and board members. The purpose of the Foundation is to provide for the enrichment of life in the community, through the Society, by developing a permanent endowment, responding to the priorities of the Society, assessing and responding to emerging and changing community needs, providing an avenue for donors with varied interests and various levels of giving, and serving as a resource catalyst for charitable activities in the community. The Foundation is a registered charity under Canadian income tax legislation and is incorporated under the Society Act of British Columbia.

Sources Community Resources Society

Notes to the Financial Statements

For the year ended March 31, 2024

14. Sources Community Resources Foundation *(Continued from previous page)*

Financial summaries of this unconsolidated entity, as at March 31, 2024 and 2023, and for the years then ended, are as follows:

	2024	2023
Balance Sheet		
Total assets	7,100,942	5,553,104
Total liabilities	(169,199)	(150,842)
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Total net assets	6,931,743	5,402,262
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Revenues and Expenses		
Total revenues	1,256,411	776,596
Total expenses	(195,320)	(183,289)
Other income (expenses)	468,390	(603,791)
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Excess (deficiency) of revenues over expenses	1,529,481	(10,484)
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Cash Flows		
Cash provided by operating activities	491,581	238,459
Cash provided by (used for) in investing activities	(321,246)	165,295
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Increase in cash resources	170,335	403,754
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15. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Society is exposed to interest rate risk on its interest-bearing investments and long-term debt.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society's exposure to liquidity risk is dependent on the collection of accounts, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

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. The Society's main credit risk relates to its accounts receivable. The Society believes that there is minimal risk associated with the collection of these amounts.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society enters into transactions to purchase marketable securities denominated in USD for which the related revenues are subject to exchange rate fluctuations. The Society is exposed to foreign currency risk of \$108,123 (2023 - \$70,864) through its investments in USD denominated marketable securities.

Sources Community Resources Society

Notes to the Financial Statements

For the year ended March 31, 2024

16. Economic dependence

The Society's primary sources of revenue are federal and provincial government grants. The funding can be cancelled if the Society does not observe certain established guidelines. The Society's ability to continue viable operations is dependent upon maintaining its ability to follow the criteria within the funding agreements. As at the date of these financial statements, the Society believes that it is in compliance with the agreements and funding will continue.