

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Financial Statements

Year Ended March 31, 2020

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Kamloops and District Elizabeth Fry Society

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of The Kamloops and District Elizabeth Fry Society (the Society), which comprise the statement of financial position as at March 31, 2020, 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. The financial statements have been prepared by management of the Society based on the financial reporting provisions of Section 12.3 of the contract dated April 20, 1993 and Section 5.10.1.2 of the contract dated December 6, 1996, between the Society and British Columbia Housing Management Commission ("the contracts").

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with the financial reporting provisions of Section 12.3 of the contract dated April 20, 1993 and Section 5.10.1.2 of the contract dated December 6, 1996.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2020 and March 31, 2019, current assets as at March 31, 2020 and March 31, 2019 and net assets as at April 1 and March 31 for the years ended March 31, 2020 and March 31, 2019.

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 qualified audit 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 the financial reporting provisions of Section 12.3 of the contract dated April 20, 1993 and Section 5.10.1.2 of the contract dated December 6, 1996, 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with the financial reporting provisions of Section 12.3 of the contract dated April 20, 1993 and Section 5.10.1.2 of the contract dated December 6, 1996 have been on a basis consistent with that of the preceding year.

Basis of Accounting

We draw your attention to Note 3(a) to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Society to comply with the financial reporting provisions of the contract referred to above.



THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Statement of Financial Position

March 31, 2020

	Core	Corner House	Hilltop Apartments	Total 2020	Total 2019
ASSETS					
CURRENT					
Cash	\$ 529,843	\$ 29,758	\$ 88,887	\$ 648,488	\$ 401,784
Accounts receivable (Note 5)	19,700	7,201	4,011	30,912	60,827
Loans receivable (Note 6)	23,576	-	-	23,576	17,247
Prepaid expenses	-	-	5,454	5,454	6,788
	573,119	36,959	98,352	708,430	486,646
DUE FROM KAMLOOPS ELIZABETH FRY HOUSING SOCIETY	12,674	-	555	13,229	41,279
CASH - SEYMOUR RESERVE FUND	45,582	-	-	45,582	45,591
CASH - REPLACEMENT RESERVE FUNDS	-	106,035	164,986	271,021	285,846
TANGIBLE CAPITAL ASSETS (Note 7)	738,129	599,914	1,321,087	2,659,130	2,857,212
	\$ 1,369,504	\$ 742,908	\$ 1,584,980	\$ 3,697,392	\$ 3,716,574
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities (Note 8)	\$ 113,848	\$ 14,537	\$ 55,139	\$ 183,524	\$ 120,559
Goods and services tax payable	1,761	-	-	1,761	1,699
Deferred revenue (Note 9)	331,371	11,070	21,040	363,481	246,389
Rent bank capital (Note 10)	11,388	-	-	11,388	23,935
Current portion of long term debt (Note 11)	14,849	39,442	140,068	194,359	190,082
	473,217	65,049	216,247	754,513	582,664
LONG TERM DEBT (Note 11)	401,903	560,473	1,181,019	2,143,395	2,335,094
REPLACEMENT RESERVES	-	106,035	164,986	271,021	285,846
	875,120	731,557	1,562,252	3,168,929	3,203,604
NET ASSETS					
Invested in Tangible Capital Assets	321,376	-	-	321,376	332,037
Internally Restricted Net Assets	45,582	-	-	45,582	45,591
Unrestricted Net Assets	127,426	11,351	22,728	161,505	135,342
	494,384	11,351	22,728	528,463	512,970
	\$ 1,369,504	\$ 742,908	\$ 1,584,980	\$ 3,697,392	\$ 3,716,574

COMMITMENT (Note 12)

SUBSEQUENT EVENTS (Note 16)

ON BEHALF OF THE BOARD

Jennifer Murphy Director

Robert Tallon Director

See notes to financial statements

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Statement of Changes in Net Assets

Year Ended March 31, 2020

	Invested in Tangible Capital Assets	Internally Restricted Net Assets	Unrestricted Net Assets - Core Fund	Unrestricted Net Assets - Corner House Fund	Unrestricted Net Assets - Hilltop Apartments Fund	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 332,037	\$ 45,591	\$ 107,800	\$ 4,825	\$ 22,717	\$ 512,970	\$ 539,241
Excess (deficiency) of revenue over expenses	-	-	15,493	-	-	15,493	(26,271)
Amortization of tangible capital assets	(25,647)	-	25,647	-	-	-	-
Purchase of tangible capital assets	2,627	-	(2,627)	-	-	-	-
Mortgage principal repayments	13,946	-	(13,946)	-	-	-	-
Interest on Seymour Reserve Fund	-	(9)	9	-	-	-	-
Transfers	-	-	(6,537)	6,526	11	-	-
Loss on disposal of tangible capital assets	(1,587)	-	1,587	-	-	-	-
NET ASSETS - END OF YEAR	\$ 321,376	\$ 45,582	\$ 127,426	\$ 11,351	\$ 22,728	\$ 528,463	\$ 512,970

See notes to financial statements

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Statement of Operations

Year Ended March 31, 2020

	Core	Corner House	Hilltop Apartments	Total 2020	Total 2019
REVENUE					
BC Housing subsidies	\$ -	\$ 75,792	\$ 129,168	\$ 204,960	\$ 199,878
Community Gaming Grant	58,650	-	-	58,650	56,500
Donations and memberships	8,318	-	-	8,318	44,696
Grants (Note 13)	260,209	-	-	260,209	194,416
Interest and sundry	6,457	2	7	6,466	9,108
Occupancy charges	28,583	-	-	28,583	26,411
Programs and contracts (Note 14)	1,082,536	-	-	1,082,536	972,946
Rental	-	66,563	238,538	305,101	296,091
	1,444,753	142,357	367,713	1,954,823	1,800,046
EXPENSES (Schedule 1)	1,427,673	145,237	350,216	1,923,126	1,809,862
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	17,080	(2,880)	17,497	31,697	(9,816)
OTHER INCOME (EXPENSES)					
Excess repayment (Note 15)	-	2,880	(17,497)	(14,617)	(16,455)
Loss on disposal of tangible capital assets	(1,587)	-	-	(1,587)	-
	(1,587)	2,880	(17,497)	(16,204)	(16,455)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 15,493	\$ -	\$ -	\$ 15,493	\$ (26,271)

See notes to financial statements

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Statement of Replacement Reserve

Year Ended March 31, 2020

	Corner House	Hilltop Apartments	Total 2019	Total 2018
BALANCE, beginning of year	\$ 112,642	\$ 173,204	\$ 285,846	\$ 298,618
ADDITIONS				
Current year provision	12,960	30,240	43,200	43,200
Interest earned	318	661	979	10,317
	13,278	30,901	44,179	53,517
	125,920	204,105	330,025	352,135
DISBURSEMENTS				
Air conditioner	714	1,441	2,155	1,832
Appliances	2,296	5,050	7,346	6,090
Bailiff	-	3,668	3,668	-
Boiler	-	-	-	12,917
Capital plan	1,850	1,850	3,700	-
Cleaning	2,381	-	2,381	-
Flooring	3,110	11,017	14,127	25,167
Garage door	-	-	-	1,033
Gutters	-	1,800	1,800	-
Painting	9,534	13,125	22,659	19,250
Rent subsidy	-	1,168	1,168	-
	19,885	39,119	59,004	66,289
BALANCE, end of year	\$ 106,035	\$ 164,986	\$ 271,021	\$ 285,846

Under the terms of the agreement with BC Housing, the Replacement Reserve accounts are to be credited in the amount determined by the budget provision per annum plus interest earned. These funds along with the accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or the Credit Union Deposit Insurance Corporation, in investments guaranteed by a Canadian government, or in other investment instruments as agreed upon with BC Housing.

The reserve funds may only be used for capital repairs and replacements in accordance with the operating agreement.

As at March 31, 2020, the replacement reserve was funded and maintained in accordance with the operating agreement and all interest accruing to the fund has been recorded.

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

**Statement of Cash Flows
Year Ended March 31, 2020**

	Core	Corner House	Hilltop Apartments	Total 2020	Total 2019
OPERATING ACTIVITIES					
Excess (deficiency) of revenue over expenses for the year	\$ 15,493	\$ -	\$ -	\$ 15,493	\$ (26,271)
Items not affecting cash:					
Amortization of tangible capital assets	25,647	-	-	25,647	25,371
Loss on disposal of tangible capital assets	1,587	-	-	1,587	-
	<u>42,727</u>	<u>-</u>	<u>-</u>	<u>42,727</u>	<u>(900)</u>
Changes in non-cash working capital:					
Accounts receivable	37,410	(6,542)	(953)	29,915	(1,001)
Loans receivable	(6,329)	-	-	(6,329)	(1,189)
Prepaid expenses	1,574	-	(240)	1,334	282
Due from Kamloops Elizabeth Fry Housing Society	28,230	375	(555)	28,050	(22,255)
Accounts payable and accrued liabilities	51,435	(649)	12,178	62,964	32,401
Goods and services tax payable	62	-	-	62	(80)
Deferred revenue	113,576	629	2,887	117,092	(97,907)
Rent bank capital	(12,547)	-	-	(12,547)	3,997
	<u>213,411</u>	<u>(6,187)</u>	<u>13,317</u>	<u>220,541</u>	<u>(85,752)</u>
Cash flow from (used by) operating activities	<u>256,138</u>	<u>(6,187)</u>	<u>13,317</u>	<u>263,268</u>	<u>(86,652)</u>
INVESTING ACTIVITIES					
Purchase of tangible capital assets	(2,627)	-	-	(2,627)	(15,674)
Decrease (increase) in Seymour Reserve Fund	9	-	-	9	(1,894)
Cash flow from (used by) investing activities	<u>(2,618)</u>	<u>-</u>	<u>-</u>	<u>(2,618)</u>	<u>(17,568)</u>
FINANCING ACTIVITIES					
Repayment of long term debt	(13,946)	-	-	(13,946)	(13,310)
Interfund transfers	(6,537)	6,526	11	-	-
Cash flow used by financing activities	<u>(20,483)</u>	<u>6,526</u>	<u>11</u>	<u>(13,946)</u>	<u>(13,310)</u>
INCREASE (DECREASE) IN CASH FLOW	<u>233,037</u>	<u>339</u>	<u>13,328</u>	<u>246,704</u>	<u>(117,530)</u>
CASH - BEGINNING OF YEAR	<u>296,806</u>	<u>29,419</u>	<u>75,559</u>	<u>401,784</u>	<u>519,314</u>
CASH - END OF YEAR	<u>\$ 529,843</u>	<u>\$ 29,758</u>	<u>\$ 88,887</u>	<u>\$ 648,488</u>	<u>\$ 401,784</u>

See notes to financial statements

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

1. PURPOSE OF THE SOCIETY

The Kamloops and District Elizabeth Fry Society (the "Society") was incorporated November 1, 1984 under the Society Act of British Columbia. It is a registered charitable organization under the Income Tax Act and is not subject to income tax. The purposes of the Society are to work in the field of justice, particularly as it relates to women and youth; to promote the development of constructive attitudes, procedures and rehabilitative programs in the correctional system; to promote better understanding in the community of the needs of persons in conflict with the justice system and the means by which the community may assist them; and to own and operate community social housing projects.

2. COVID-19 PANDEMIC

The COVID-19 global outbreak was declared a pandemic by the World Health Organization in March 2020. The negative impact of COVID-19 in Canada and on the global economy has been significant. The global pandemic has disrupted economic activities and supply chains resulting in governments worldwide, and in Canada and its provinces, enacting emergency measures to combat the spread of the virus and protect the economy. These measures, which include social distancing, the implementation of travel bans and closures of non-essential businesses, have caused material disruption to businesses globally and in British Columbia resulting in an economic slowdown.

The accompanying financial statements have been prepared on the going concern assumption that the Society will be able to realize its assets and discharge its liabilities in the normal course of operations. These financial statements have been prepared upon conditions existing as at March 31, 2020 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at that date. Although the disruption from the pandemic is expected to be temporary, given the dynamic nature of these circumstances, the duration and severity of the disruption to the Society and related financial impact cannot be reasonably estimated at this time. The Society has continued to deliver services during the pandemic through alternative means.

As a result, the Society is unable to estimate the potential impact on its operations as at the date of these financial statements. However, given that the majority of the Society's funding is from contracts and there are agreements in place, there is no reason to believe this funding is not going to continue into the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These financial statements were prepared in accordance with the significant accounting policies set out below to comply with Section 12.3 of the contract dated April 20, 1993 and Section 5.10.1.2 of the contract dated December 6, 1996 with British Columbia Housing Management Commission.

(continues)

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(b) **Revenue recognition**

The Society follows the deferral method of accounting for contributions. Restricted contributions will be recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions will be recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Non-cash contributions are recognized as revenue at fair value when the fair value can be reasonably estimated.

The Society recognizes contributed materials and services at fair value when the fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

The Society recognizes rental revenue and occupancy charges when it is earned, specifically when all the following conditions are met:

- There is clear evidence that an arrangement exists
- Amounts are fixed or can be determined
- The ability to collect is reasonably assured

The Society recognizes Rent Bank contributions as revenue as follows:

- Loan funds are recognized as revenue when the loans are disbursed
- Funds for administration are recognized as revenue in the period in which the related expenses are incurred

(c) **Fund accounting**

Revenue, expenses, assets and liabilities for service delivery activities and administration are reported in the Core Fund.

Revenue, expenses, assets and liabilities for each BC Housing project are reported in separate funds as follows:

- Corner House Fund
- Hilltop Apartments Fund

Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

(*continues*)

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(d) **Tangible capital assets**

Tangible capital assets in the housing funds are recorded and amortized in accordance with BC Housing budget policies which are not in accordance with Canadian generally accepted accounting principles for the amortization of tangible capital assets.

Initial development costs may include land, land leases, buildings, building fixtures and equipment. They are recorded at cost and amortized on an increasing charge basis equal to the annual principal reduction of the long term debt.

Replacement reserves, in accordance with BC Housing policy, are maintained for future tangible capital asset replacement and repair. Annual provisions to increase the reserves are recorded as operating expenses. Disbursements from the separately maintained funds must be approved by BC Housing.

Tangible capital asset additions or improvements not covered under replacement reserve policies are recorded as operating expenses in the year of purchase.

Core Fund tangible capital assets are recorded at cost and amortized on a declining balance basis over their estimated useful lives at the following annual rates:

Buildings	4%
Equipment	20%
Automotive equipment	30%

(e) **Financial instruments policy**

Financial assets include cash, accounts receivable, loans receivable, amounts due from related party and replacement reserve funds and are measured at amortized cost as presented on the balance sheet.

Financial liabilities include accounts payable and accrued liabilities, government remittances payable, long-term debt, replacement reserves and Rent Bank capital and are measured at amortized cost as presented on the balance sheet.

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 net income. 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 net income.

(f) **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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

4. CONTROLLED SOCIETY - KAMLOOPS ELIZABETH FRY HOUSING SOCIETY

The Society entered into a Homes BC agreement with BC Housing to construct and operate a 46 unit housing project at 130 St. Paul Street, Kamloops, B.C. Construction of the project started in March 1999. In accordance with that agreement, a new Society, Kamloops Elizabeth Fry Housing Society, was formed to take over, upon completion, the ownership and operation of the project. The project was completed and transferred to the new Society on July 1, 2000.

The Kamloops Elizabeth Fry Housing Society was incorporated on August 16, 1999 under the Society Act of British Columbia and is not subject to income tax. The purposes are to work in the field of justice, particularly as it relates to women and youth; to promote the development of constructive attitudes, procedures and rehabilitative programs in the community of the needs of persons in conflict with the justice system and the means by which the community may assist them; to own and operate community social housing projects.

The Board of Directors and purposes are common for both Societies. Kamloops Elizabeth Fry Housing Society is controlled by the Society. Consolidated financial statements are not prepared. The summary financial statements of Kamloops Elizabeth Fry Housing Society is as follows:

	<u>2020</u>	<u>2019</u>
FINANCIAL POSITION		
Total assets	\$ 3,191,130	\$ 3,367,452
Total liabilities	\$ 3,175,964	\$ 3,399,341
Total net assets	<u>15,166</u>	<u>(31,889)</u>
	\$ 3,191,130	\$ 3,367,452
OPERATIONS		
Total revenue	\$ 517,931	\$ 473,452
Total expenses	<u>(470,876)</u>	<u>(498,392)</u>
Excess (deficiency) of revenue over expenses	\$ 47,055	\$ (24,940)
CASH FLOWS		
Net increase (decrease) in cash from operating activities	\$ (185)	\$ 7,925

5. ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Law Foundation of BC	\$ -	\$ 29,772
Program funds receivable	15,059	24,701
GST rebate receivable	10,749	6,354
Rent receivable	350	-
BCHMC receivable rent subsidy	<u>4,754</u>	<u>-</u>
	\$ 30,912	\$ 60,827

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

6. LOANS RECEIVABLE

	2020	2019
Loans receivable - Rent Bank loans	\$ 26,549	\$ 18,136
Less: allowance for doubtful accounts	(2,973)	(889)
	\$ 23,576	\$ 17,247

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Core Fund land	\$ 241,511	\$ -	\$ 241,511	\$ 241,511
Core Fund building	663,555	184,816	478,739	498,686
Core Fund equipment	79,311	70,158	9,153	10,073
Core Fund automotive equipment	14,665	5,939	8,726	12,465
Corner House	1,114,000	514,086	599,914	638,497
Hilltop Apartments	3,477,274	2,156,187	1,321,087	1,455,980
	\$ 5,590,316	\$ 2,931,186	\$ 2,659,130	\$ 2,857,212

The Corner House and Hilltop Apartments assets include land, land leases, buildings, building fixtures and equipment. The Core Fund equipment includes computers, furniture and office equipment.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Accounts payable and accrued liabilities	\$ 120,961	\$ 73,006
Damage deposits refundable	17,799	18,099
Wages and benefits payable	27,225	14,899
BCHMC repayable rent subsidy	17,539	14,555
	\$ 183,524	\$ 120,559

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

9. DEFERRED REVENUE

	<u>2020</u>		<u>2019</u>
Family Stepping Stones	\$ 102,781	\$	119,456
Community Gaming Grant	34,975		32,942
Family Law Advocate	-		20,846
Hilltop Apartments - subsidies and tenant rent for April	21,040		18,153
Anonymous Donor - Bursary	11,829		14,079
Kamloops Partner Assisted Learning	15,581		13,261
Corner House - subsidies for April	11,070		10,441
Sky/Osprey Residential Contracts	52,702		7,005
United Way	-		5,000
Community Response Network	7,097		2,807
Conference sponsorship for AGM	1,341		1,341
Women's Housing Support	7,982		1,000
General Fund	320		58
Poverty Law Clinic	26,763		-
Rent Bank	70,000		-
	<u>\$ 363,481</u>	\$	<u>246,389</u>

Deferred revenue represents program funding, subsidies and rent revenue received in the current year that relate to the subsequent period.

10. RENT BANK CAPITAL

The Rent Bank program provides assistance at a low interest rate to individuals who are going to be evicted from their housing or cut-off from their utilities. The Rent Bank program is for low-income wage earners who have stable income and have been in stable housing for over one year. The Rent Bank capital is the undisbursed funding for prospective loans and associated program expenses.

	<u>2020</u>		<u>2019</u>
<u>Funds available for loan disbursement</u>			
Opening balance	\$ 23,935	\$	19,938
Add: amount received from donors	12,750		17,750
Less: loans disbursed	<u>(25,297)</u>		<u>(13,753)</u>
	<u>11,388</u>		23,935
 <u>Funds available for program expenses</u>			
Opening balance	-		-
Add: amount received from donors	44,250		2,250
Less: funds used for program expenses	<u>(44,250)</u>		<u>(2,250)</u>
	<u>-</u>		<u>-</u>
	<u>\$ 11,388</u>	\$	<u>23,935</u>

During the year, funding of \$15,000 was received from City of Kamloops, \$5,000 from United Way, and \$35,000 from Greater Vancouver Community Assistance Foundation.

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

11. LONG TERM DEBT

	<u>2020</u>	<u>2019</u>
Canada Mortgage and Housing Corporation, mortgage, repayable at \$13,208 per month including interest at 2.22% per annum, secured by Hilltop Apartments property, due December 1, 2028, with renewal on January 1, 2024	\$ 1,262,234	\$ 1,391,516
TD Bank Financial Group, mortgage, repayable at \$678 per month including interest at 4.12% per annum, secured by Hilltop Apartments property, due October 31, 2028, with renewal on June 1, 2021	58,853	64,464
Royal Bank of Canada, mortgage, repayable at \$2,542 per month including interest at 3.85% per annum, secured by Seymour and Women's Supported Housing properties and a general security agreement, due August 29, 2039, with renewal on August 29, 2024	416,753	430,699
Peoples Trust Company, mortgage, repayable at \$4,453 per month including interest at 2.43% per annum, secured by Corner House property, due April 1, 2033, with renewal on April 1, 2025	<u>599,914</u>	<u>638,497</u>
	2,337,754	2,525,176
Amounts payable within one year	<u>(194,359)</u>	<u>(190,082)</u>
	<u>\$ 2,143,395</u>	<u>\$ 2,335,094</u>

Principal repayment terms are approximately:

2021	\$ 194,359
2022	196,720
2023	201,586
2024	206,577
2025	211,698
Thereafter	<u>1,326,814</u>
	<u>\$ 2,337,754</u>

12. COMMITMENT

The Society rents an office space under a lease agreement which expires November 30, 2021, the annual rental for which is \$44,640 including parking costs. Future minimum lease payments as at year end are as follows:

2021	\$ 44,640
2022	<u>29,760</u>
	<u>\$ 74,400</u>

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

13. REVENUE - GRANTS

	<u>2020</u>	<u>2019</u>
City of Kamloops	\$ 33,250	\$ 78,193
United Way	13,040	45,500
Family Stepping Stones	63,225	31,775
Kamloops Partner Assisted Learning program	25,880	16,131
Life Skills Development program	-	10,000
Restorative Justice	-	5,000
Community Response Network	2,709	4,782
Service Canada - summer student	-	3,035
Sustainability Plan	50,000	-
Rent Bank	35,000	-
Respecting Your Partner	24,502	-
Women's Housing Support	6,718	-
Administrative expenses	5,885	-
	<u>\$ 260,209</u>	<u>\$ 194,416</u>

14. REVENUE - PROGRAMS AND CONTRACTS

	<u>2020</u>	<u>2019</u>
SKY/Osprey Attendance Program	\$ 583,305	\$ 659,227
Legal Aid revenue	137,177	140,750
Poverty Law Advocate	88,397	91,400
Family Law Advocate	84,450	2,904
KRCC library and pretrial	64,497	64,224
Rent Bank Fund	26,473	14,441
Poverty Law Clinic	98,237	-
	<u>\$ 1,082,536</u>	<u>\$ 972,946</u>

15. BC HOUSING OPERATING AGREEMENTS

Housing projects are developed and operated in accordance with the policies and programs of BC Housing. Various subsidy arrangements available from BC Housing require submission and approval of annual operating budgets. Actual operating results are reviewed annually to determine approved deficiency recovery and excess repayment. The resulting BC Housing accounts receivable or payable is accrued annually in compliance with Homes BC Operating Agreements.

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

16. SUBSEQUENT EVENTS

The following items occurred subsequent to the year end:

The Society received \$63,675 in emergency Federal Government COVID-19 funding for shelters and transition houses. These funds were administered by Women's Shelters Canada.

The Society received a total of \$20,565 from the 10% Temporary Wage Subsidy for Employers for the period of March 18, 2020 to June 19, 2020.

The Society received \$50,000 from the Canadian Women's Foundation to facilitate a Women's Employment and Empowerment Program.

The Society received \$26,385 in emergency Federal Government COVID-19 funding to assist in attending to the needs of vulnerable populations. These funds were administered by the United Way.

17. REMUNERATION OF DIRECTORS, EMPLOYEES & CONTRACTORS

As required by the Societies Act (British Columbia), the financial statements must disclose remuneration paid to employees, contractors and Directors in excess of \$75,000.

During the year, the Society paid \$78,694 to one employee in salaries and benefits. No employees or contractors were paid over \$75,000 in salaries and benefits for the 2019 year. No honoraria were paid to members of the Board of Directors for the 2020 and 2019 years.

18. 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, 2020.

(a) 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 mainly in respect of its accounts payable, long term debt, and Rent Bank capital.

(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. The Society's main credit risks relate to its accounts receivables, loans and notes receivable and amounts due from related parties. The Society is also exposed to credit risk arising from its bank accounts being held at financial institutions only being insured up to \$100,000 per account.

(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 normal operating and financing activities. The Society is exposed to interest rate risk primarily through its credit facilities.

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

**Statement of Expenses
Year Ended March 31, 2020**

(Schedule 1)

	Core	Corner House	Hilltop Apartments	Total 2020	Total 2019
EXPENSES					
Advertising and public relations	\$ 1,873	\$ -	\$ -	\$ 1,873	\$ 2,890
Amortization	25,647	38,582	134,893	199,122	195,353
Audit, accounting and legal	16,764	5,000	5,300	27,064	21,853
Bad debts	-	750	989	1,739	1,668
Bank charges and interest	3,444	257	10	3,711	3,219
Fundraising	645	-	-	645	-
Insurance	4,658	3,538	12,543	20,739	16,182
Interest on long term debt	16,826	14,849	31,745	63,420	67,222
Office and sundry	33,875	1,810	3,451	39,136	36,742
Programs and contracts - supplies and other	111,338	-	-	111,338	180,911
Property taxes	-	-	9,825	9,825	11,116
Rent	38,968	-	-	38,968	35,167
Repairs and maintenance	10,905	5,912	16,083	32,900	43,656
Replacement reserve provision	-	12,960	30,240	43,200	43,200
Telephone and utilities	16,577	22,858	50,671	90,106	84,843
Travel	14,483	-	-	14,483	23,056
Wages, employee benefits and subcontract	1,131,670	38,721	54,466	1,224,857	1,042,784
	\$ 1,427,673	\$ 145,237	\$ 350,216	\$ 1,923,126	\$ 1,809,862

See notes to financial statements

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Statement of Operations - Core Fund - Budget to Actual

(Schedule 2)

Year Ended March 31, 2020

	Budget 2020	Actual 2020	Actual 2019
REVENUE			
Donations and memberships	\$ 12,100	\$ 8,318	\$ 44,696
Community Gaming Grant	56,500	58,650	56,500
Grants <i>(Note 13)</i>	232,830	260,209	194,416
Interest and sundry	6,050	6,457	8,549
Occupancy charges	24,000	28,583	26,411
Programs and contracts <i>(Note 14)</i>	1,271,037	1,082,536	972,946
	<u>1,602,517</u>	<u>1,444,753</u>	<u>1,303,518</u>
EXPENSES			
Advertising and public relations	10,110	1,873	2,890
Amortization	-	25,647	25,371
Audit, accounting and legal	11,700	16,764	11,953
Bank charges and interest	2,800	3,444	3,219
Fundraising	-	645	-
Insurance	4,800	4,658	3,775
Interest on long term debt	31,170	16,826	17,830
Office and sundry	28,560	33,875	28,476
Programs and contracts - supplies and other	137,650	111,338	180,911
Property taxes	-	-	1,950
Rent	44,450	38,968	35,167
Repairs and maintenance	15,500	10,905	24,685
Telephone and utilities	15,750	16,577	13,361
Travel	26,180	14,483	23,056
Wages, employee benefits and subcontract	1,273,847	1,131,670	957,145
	<u>1,602,517</u>	<u>1,427,673</u>	<u>1,329,789</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ -</u>	<u>\$ 17,080</u>	<u>\$ (26,271)</u>

See notes to financial statements

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Statement of Operations - Corner House Fund - Budget to Actual (Schedule 3)

Year Ended March 31, 2020

	Budget 2020	Actual 2020
REVENUE		
BC Housing - rental subsidy	\$ 75,791	\$ 75,792
Interest and sundry	-	2
Rental	67,500	66,563
	<u>143,291</u>	<u>142,357</u>
EXPENSES		
Administrative		
Audit, accounting and legal	5,000	5,000
Office overhead	2,300	1,458
Wages and employee benefits	12,800	13,946
Bad debts	-	750
BCNPH fees	600	610
Insurance	2,800	3,538
Mortgage interest and amortization	53,431	53,431
Repairs and maintenance		
Building	4,000	4,590
Grounds	1,650	356
Service contracts	1,900	966
Wages and employee benefits	24,150	24,775
Replacement reserve provision	12,960	12,960
Utilities		
Electricity	6,900	6,209
Garbage removal	750	566
Heating and hot water	5,100	6,202
Water and sewer	8,950	9,880
	<u>143,291</u>	<u>145,237</u>
EXCESS OF REVENUE OVER EXPENSES	<u>-</u>	<u>(2,880)</u>
EXCESS REPAYMENT (Note 15)	-	2,880
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY
Statement of Operations - Hilltop Apartments Fund - Budget to Actual (Schedule 4)
Year Ended March 31, 2020

	Budget 2020	Actual 2020
REVENUE		
BC Housing - rental subsidy	\$ 128,329	\$ 129,168
Interest and sundry	-	7
Rental	216,000	238,538
	<u>344,329</u>	<u>367,713</u>
EXPENSES		
Administrative		
Audit, accounting and legal	5,300	5,300
Office overhead	3,000	2,852
Wages and employee benefits	27,885	28,766
Bad debts	-	989
BCNPH fees	1,000	610
Insurance	9,800	12,543
Mortgage interest and amortization	165,804	166,638
Property taxes	10,000	9,825
Repairs and maintenance		
Building	12,000	9,069
Grounds	900	1,862
Service contracts	4,800	5,151
Wages and employee benefits	25,500	25,700
Replacement reserve provision	30,240	30,240
Utilities		
Electricity	12,000	11,133
Garbage removal	3,100	2,866
Heating and hot water	14,000	14,445
Water and sewer	19,000	22,109
Telephone	-	118
	<u>344,329</u>	<u>350,216</u>
EXCESS OF REVENUE OVER EXPENSES	-	17,497
EXCESS REPAYMENT (Note 15)	-	(17,497)
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements