

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Financial Statements

Year Ended March 31, 2021

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, 2021, 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, 2021, 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, 2021 and March 31, 2020, current assets as at March 31, 2021 and March 31, 2020 and net assets as at April 1 and March 31 for the years ended March 31, 2021 and March 31, 2020.

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, 2021

	Core	Corner House	Hilltop Apartments	Total 2021	Total 2020
ASSETS					
CURRENT					
Cash	\$ 668,056	\$ 37,445	\$ 79,473	\$ 784,974	\$ 648,488
Accounts receivable (Note 5)	64,104	9,458	3,971	77,533	30,912
Loans receivable (Note 6)	11,788	-	-	11,788	23,576
Prepaid expenses	38,646	-	5,454	44,100	5,454
	782,594	46,903	88,898	918,395	708,430
DUE (TO) FROM KAMLOOPS ELIZABETH FRY HOUSING SOCIETY	30,940	375	(1,615)	29,700	13,229
CASH - SEYMOUR RESERVE FUND	46,890	-	-	46,890	45,582
CASH - REPLACEMENT RESERVE FUNDS	-	103,464	171,800	275,264	271,021
TANGIBLE CAPITAL ASSETS (Note 7)	747,549	560,503	1,182,961	2,491,013	2,659,130
	\$ 1,607,973	\$ 711,245	\$ 1,442,044	\$ 3,761,262	\$ 3,697,392
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities (Note 8)	\$ 148,453	\$ 12,732	\$ 29,255	\$ 190,440	\$ 183,524
Goods and services tax payable	1,699	-	-	1,699	1,761
Deferred revenue (Note 9)	458,074	11,820	21,753	491,647	363,481
Rent bank capital (Note 10)	60,438	-	-	60,438	11,388
Current portion of long term debt (Note 11)	15,423	40,351	143,035	198,809	194,359
	684,087	64,903	194,043	943,033	754,513
LONG TERM DEBT (Note 11)	386,566	520,152	1,039,927	1,946,645	2,143,395
REPLACEMENT RESERVES	-	103,464	171,800	275,264	271,021
	1,070,653	688,519	1,405,770	3,164,942	3,168,929
NET ASSETS					
Invested in Tangible Capital Assets	345,559	-	-	345,559	321,376
Internally Restricted Net Assets (Note 12)	83,839	-	-	83,839	45,582
Unrestricted Net Assets	107,922	22,726	36,274	166,922	161,505
	537,320	22,726	36,274	596,320	528,463
	\$ 1,607,973	\$ 711,245	\$ 1,442,044	\$ 3,761,262	\$ 3,697,392

COMMITMENT (Note 13)

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, 2021

	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	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 321,376	\$ 45,582	\$ 127,426	\$ 11,351	\$ 22,728	\$ 528,463	\$ 512,970
Excess of revenue over expenses	-	-	67,857	-	-	67,857	15,493
Amortization of tangible capital assets	(29,350)	-	29,350	-	-	-	-
Purchase of tangible capital assets	40,048	-	(40,048)	-	-	-	-
Mortgage principal repayments	14,763	-	(14,763)	-	-	-	-
Interest on Seymour Reserve Fund	-	1,308	(1,308)	-	-	-	-
Transfers	-	36,949	(61,870)	11,375	13,546	-	-
Loss on disposal of tangible capital assets	(1,278)	-	1,278	-	-	-	-
NET ASSETS - END OF YEAR	\$ 345,559	\$ 83,839	\$ 107,922	\$ 22,726	\$ 36,274	\$ 596,320	\$ 528,463

See notes to financial statements

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Statement of Operations

Year Ended March 31, 2021

	Core	Corner House	Hilltop Apartments	Total 2021	Total 2020
REVENUE					
Programs and contracts <i>(Note 14)</i>	\$ 1,042,345	\$ -	\$ -	\$ 1,042,345	\$ 1,082,536
Grants <i>(Note 15)</i>	399,178	-	-	399,178	260,209
Rental	-	67,500	228,930	296,430	305,101
BC Housing subsidies	-	87,840	158,348	246,188	204,960
Community Gaming Grant	41,879	-	-	41,879	58,650
Occupancy charges	34,865	-	-	34,865	28,583
Donations and memberships	31,579	-	-	31,579	8,318
Temporary Wage Subsidy (TWS)	20,566	-	-	20,566	-
Pandemic pay - Minister of Finance	7,095	-	2,482	9,577	-
Interest and sundry	9,476	2	8	9,486	6,466
	1,586,983	155,342	389,768	2,132,093	1,954,823
EXPENSES <i>(Schedule 1)</i>	1,517,848	160,376	385,075	2,063,299	1,923,126
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	69,135	(5,034)	4,693	68,794	31,697
OTHER INCOME (EXPENSES)					
Excess recovery (repayment) <i>(Note 16)</i>	-	5,034	(4,693)	341	(14,617)
Loss on disposal of tangible capital assets	(1,278)	-	-	(1,278)	(1,587)
	(1,278)	5,034	(4,693)	(937)	(16,204)
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 67,857	\$ -	\$ -	\$ 67,857	\$ 15,493

See notes to financial statements

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Statement of Replacement Reserve

Year Ended March 31, 2021

	Corner House	Hilltop Apartments	Total 2021	Total 2020
BALANCE, beginning of year	\$ 106,035	\$ 164,986	\$ 271,021	\$ 285,846
ADDITIONS				
Current year provision	12,960	30,240	43,200	43,200
Interest earned	2,848	4,664	7,512	979
	15,808	34,904	50,712	44,179
	121,843	199,890	321,733	330,025
DISBURSEMENTS				
Air conditioner	-	-	-	2,155
Appliances	-	2,356	2,356	7,346
Bailiff	-	-	-	3,668
Boiler	5,210	-	5,210	-
Capital plan	-	-	-	3,700
Cleaning	-	-	-	2,381
Flooring	8,364	17,994	26,358	14,127
Garage door	-	-	-	-
Gutters	-	-	-	1,800
Painting	4,805	7,740	12,545	22,659
Rent subsidy	-	-	-	1,168
	18,379	28,090	46,469	59,004
BALANCE, end of year	\$ 103,464	\$ 171,800	\$ 275,264	\$ 271,021

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, 2021, 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, 2021**

	Core	Corner House	Hilltop Apartments	Total 2021	Total 2020
OPERATING ACTIVITIES					
Excess of revenue over expenses for the year	\$ 67,857	\$ -	\$ -	\$ 67,857	\$ 15,493
Items not affecting cash:					
Amortization of tangible capital assets	29,350	-	-	29,350	25,647
Loss on disposal of tangible capital assets	1,278	-	-	1,278	1,587
	<u>98,485</u>	<u>-</u>	<u>-</u>	<u>98,485</u>	<u>42,727</u>
Changes in non-cash working capital:					
Accounts receivable	(44,404)	(2,257)	40	(46,621)	29,915
Loans receivable	11,788	-	-	11,788	(6,329)
Prepaid expenses	(38,646)	-	-	(38,646)	1,334
Due (to) from Kamloops Elizabeth Fry Housing Society	(18,266)	(375)	2,170	(16,471)	28,050
Accounts payable and accrued liabilities	34,604	(1,806)	(25,883)	6,915	62,964
Goods and services tax payable	(62)	-	-	(62)	62
Deferred revenue	126,704	750	713	128,167	117,092
Rent bank capital	49,050	-	-	49,050	(12,547)
	<u>120,768</u>	<u>(3,688)</u>	<u>(22,960)</u>	<u>94,120</u>	<u>220,541</u>
Cash flow from (used by) operating activities	<u>219,253</u>	<u>(3,688)</u>	<u>(22,960)</u>	<u>192,605</u>	<u>263,268</u>
INVESTING ACTIVITIES					
Purchase of tangible capital assets	(40,048)	-	-	(40,048)	(2,627)
Transfer (to) from Seymour Reserve Fund	(1,308)	-	-	(1,308)	9
Cash flow from (used by) investing activities	<u>(41,356)</u>	<u>-</u>	<u>-</u>	<u>(41,356)</u>	<u>(2,618)</u>
FINANCING ACTIVITIES					
Repayment of long term debt	(14,763)	-	-	(14,763)	(13,946)
Interfund transfers	(24,921)	11,375	13,546	-	-
Cash flow used by financing activities	<u>(39,684)</u>	<u>11,375</u>	<u>13,546</u>	<u>(14,763)</u>	<u>(13,946)</u>
INCREASE (DECREASE) IN CASH FLOW	<u>138,213</u>	<u>7,687</u>	<u>(9,414)</u>	<u>136,486</u>	<u>246,704</u>
CASH - BEGINNING OF YEAR	<u>529,843</u>	<u>29,758</u>	<u>88,887</u>	<u>648,488</u>	<u>401,784</u>
CASH - END OF YEAR	<u>\$ 668,056</u>	<u>\$ 37,445</u>	<u>\$ 79,473</u>	<u>\$ 784,974</u>	<u>\$ 648,488</u>

See notes to financial statements

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

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 AND CONTINUITY OF OPERATIONS

These financial statements were prepared using accounting standards that apply to an operating Society. This assumes that the Society will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

In March 2020, the World Health Organization declared a global pandemic due to COVID-19. Following this event, the Society has continued to operate. Additional COVID-19 funding and donations were received to help with the extra costs associated with COVID-19. As the Society provides essential services, it continued to deliver services during the pandemic through alternative means.

The Society's operating results and fiscal position for the year ended March 31, 2021 do not cast any significant doubts on the Society's ability to continue as a going concern.

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, 2021

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, 2021

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.

(*continues*)

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Government assistance

The Society participated in the Temporary Wage Subsidy program for salaries and wages. The subsidy amounted to \$20,566. The Society has chosen to present the subsidy as a credit to income rather than net with wages expense.

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>2021</u>	<u>2020</u>
FINANCIAL POSITION		
Total assets	<u>\$ 3,064,332</u>	\$ 3,191,130
Total liabilities	\$ 3,050,566	\$ 3,175,964
Total net assets	<u>13,766</u>	<u>15,166</u>
	<u>\$ 3,064,332</u>	<u>\$ 3,191,130</u>
OPERATIONS		
Total revenue	\$ 484,929	\$ 517,931
Total expenses	<u>(486,329)</u>	<u>(470,876)</u>
Excess (deficiency) of revenue over expenses	<u>\$ (1,400)</u>	<u>\$ 47,055</u>
CASH FLOWS		
Net increase (decrease) in cash from operating activities	<u>\$ 23,821</u>	<u>\$ (185)</u>

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

5. ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Program funds receivable	\$ 58,227	\$ 15,059
GST rebate receivable	12,024	10,749
Rent receivable	375	350
BCHMC rent subsidy receivable	<u>6,907</u>	<u>4,754</u>
	<u>\$ 77,533</u>	<u>\$ 30,912</u>

6. LOANS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Loans receivable - Rent Bank loans	\$ 14,260	\$ 26,549
Less: allowance for doubtful accounts	<u>(2,472)</u>	<u>(2,973)</u>
	<u>\$ 11,788</u>	<u>\$ 23,576</u>

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Core Fund land	\$ 241,511	\$ -	\$ 241,511	\$ 241,511
Core Fund building	663,555	203,966	459,589	478,739
Core Fund equipment	77,891	71,591	6,300	9,153
Core Fund automotive equipment	54,713	14,564	40,149	8,726
Corner House	1,114,000	553,497	560,503	599,914
Hilltop Apartments	<u>3,477,274</u>	<u>2,294,313</u>	<u>1,182,961</u>	<u>1,321,087</u>
	<u>\$ 5,628,944</u>	<u>\$ 3,137,931</u>	<u>\$ 2,491,013</u>	<u>\$ 2,659,130</u>

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

	<u>2021</u>	<u>2020</u>
Accounts payable and accrued liabilities	\$ 130,405	\$ 120,961
Damage deposits refundable	18,349	17,799
Wages and benefits payable	36,951	27,225
BCHMC repayable rent subsidy	<u>4,735</u>	<u>17,539</u>
	<u>\$ 190,440</u>	<u>\$ 183,524</u>

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

9. DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
Family Stepping Stones	\$ 178,347	\$ 102,781
Community Gaming Grant	49,300	34,975
Stollery Foundation - wages	34,800	-
Hilltop Apartments - subsidies and tenant rent for April	21,753	21,040
Anonymous Donor - Bursary	10,859	11,829
Kamloops Partner Assisted Learning	26,123	15,581
Corner House - subsidies for April	11,820	11,070
Sky/Osprey Residential Contracts	116,834	52,702
Community Response Network	88	7,097
Conference sponsorship for AGM	1,341	1,341
Women's Housing Support	7,982	7,982
General Fund	580	320
Poverty Law Clinic	-	26,763
Rent Bank	5,000	70,000
Women and Gender Equality - emergency response plan	23,000	-
Sustainability plan	3,820	-
	<u>\$ 491,647</u>	<u>\$ 363,481</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>2021</u>	<u>2020</u>
<u>Funds available for loan disbursement</u>		
Opening balance	\$ 11,388	\$ 23,935
Add: amount received from donors	56,000	12,750
Less: loans disbursed	<u>(6,950)</u>	<u>(25,297)</u>
	<u>\$ 60,438</u>	<u>\$ 11,388</u>
 <u>Funds available for program expenses</u>		
Opening balance	-	-
Add: amount received from donors	61,500	44,250
Less: funds used for program expenses	<u>(61,500)</u>	<u>(44,250)</u>
	<u>\$ -</u>	<u>\$ -</u>

Amounts received from donors includes \$42,500 from the City of Kamloops, \$70,000 from the Greater Vancouver Community Assistance Foundation and \$5,000 from the United Way.

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

11. LONG TERM DEBT

	<u>2021</u>	<u>2020</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	\$ 1,129,952	\$ 1,262,234
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 August 1, 2021	53,009	58,853
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	401,989	416,753
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>560,504</u>	<u>599,914</u>
	2,145,454	2,337,754
Amounts payable within one year	<u>(198,809)</u>	<u>(194,359)</u>
	\$ 1,946,645	\$ 2,143,395

Principal repayment terms are approximately:

2022	\$ 198,809
2023	201,584
2024	206,575
2025	211,696
2026	216,951
Thereafter	<u>1,109,839</u>
	\$ 2,145,454

12. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets includes:

	<u>2021</u>	<u>2020</u>
Seymour Reserve Fund	\$ 46,890	\$ 45,582
Family Stepping Stones surplus	36,949	-
	<u>\$ 83,839</u>	<u>\$ 45,582</u>

The Board of Directors has internally restricted the Seymour Reserve Fund to be used for expenses of the Seymour Street property.

The Board of Directors has internally restricted the 2021 surplus of the Family Stepping Stones program to be used by this program in subsequent years.

THE KAMLOOPS AND DISTRICT ELIZABETH FRY SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

13. 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 until expiry are as follows:

2022	<u>\$ 29,760</u>
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14. REVENUE - PROGRAMS AND CONTRACTS

	<u>2021</u>	<u>2020</u>
SKY/Osprey Attendance Program	\$ 463,477	\$ 583,305
Poverty Law Clinic	219,079	98,237
Legal Aid revenue	135,937	137,177
Poverty Law Advocate	85,097	88,397
Family Law Advocate	70,550	84,450
KRCC library and pretrial	60,907	64,497
Rent Bank Fund	<u>7,298</u>	<u>26,473</u>
	<u>\$ 1,042,345</u>	<u>\$ 1,082,536</u>

15. REVENUE - GRANTS

	<u>2021</u>	<u>2020</u>
Family Stepping Stones	\$ 109,060	\$ 63,225
City of Kamloops	91,323	33,250
Sustainability Plan	62,846	50,000
Social Enterprise	50,000	-
Rent Bank	26,750	35,000
Community Response Network	21,009	2,709
Kamloops Partner Assisted Learning program	17,458	25,880
Canada Mortgage and Housing Corporation - seed funding	9,168	-
United Way	5,000	13,040
Service Canada - summer student	4,574	-
Peer Empowerment	1,990	-
Administrative expenses	-	5,885
Respecting Your Partner	-	24,502
Women's Housing Support	<u>-</u>	<u>6,718</u>
	<u>\$ 399,178</u>	<u>\$ 260,209</u>

16. 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, 2021

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 a total of \$177,200 in salaries and benefits to the two highest paid employees, whose salaries and benefits were greater than \$75,000. In 2020, one employee was paid \$78,694 in salaries and benefits. No honoraria were paid to members of the Board of Directors for the 2021 and 2020 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, 2021.

(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

(Schedule 1)

Year Ended March 31, 2021

	Core	Corner House	Hilltop Apartments	Total 2021	Total 2020
EXPENSES					
Advertising and public relations	\$ 954	\$ -	\$ -	\$ 954	\$ 1,873
Amortization	29,350	39,411	138,126	206,887	199,122
Audit, accounting and legal	12,189	5,000	5,000	22,189	27,064
Bad debts	-	1,125	3,052	4,177	1,739
Bank charges and interest	2,872	-	8	2,880	3,711
Fundraising	-	-	-	-	645
Insurance	9,383	5,197	17,347	31,927	20,739
Interest on long term debt	15,746	14,019	28,512	58,277	63,420
Office and sundry	36,279	2,116	3,150	41,545	39,136
Programs and contracts - supplies and other	73,666	-	-	73,666	111,338
Property taxes	-	-	10,381	10,381	9,825
Rent	65,850	-	-	65,850	38,968
Repairs and maintenance	11,383	7,309	19,749	38,441	32,900
Replacement reserve provision	-	12,960	30,240	43,200	43,200
Telephone and utilities	14,644	24,946	53,632	93,222	90,106
Vehicle	17,883	-	-	17,883	14,483
Wages, employee benefits and subcontracts	1,227,649	48,293	75,878	1,351,820	1,224,857
	\$ 1,517,848	\$ 160,376	\$ 385,075	\$ 2,063,299	\$ 1,923,126

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, 2021

	Budget 2021	Actual 2021	Actual 2020
REVENUE			
Donations and memberships	\$ 27,190	\$ 31,579	\$ 8,318
Community Gaming Grant	56,200	41,879	58,650
Grants <i>(Note 15)</i>	373,536	399,178	260,209
Interest and sundry	6,050	9,476	6,457
Occupancy charges	36,000	34,865	28,583
Programs and contracts <i>(Note 14)</i>	1,296,420	1,042,345	1,082,536
Temporary Wage Subsidy (TWS)	-	20,566	-
Pandemic pay - Minister of Finance	-	7,095	-
	<u>1,795,396</u>	<u>1,586,983</u>	<u>1,444,753</u>
EXPENSES			
Advertising and public relations	6,710	954	1,873
Amortization	-	29,350	25,647
Audit, accounting and legal	23,500	12,189	16,764
Bank charges and interest	3,275	2,872	3,444
Fundraising	-	-	645
Insurance	6,300	9,383	4,658
Interest on long term debt	31,000	15,746	16,826
Office and sundry	28,860	36,279	33,875
Programs and contracts - supplies and other	146,900	73,666	111,338
Rent	103,200	65,850	38,968
Repairs and maintenance	13,500	11,383	10,905
Telephone and utilities	16,900	14,644	16,577
Vehicle	32,080	17,883	14,483
Wages, employee benefits and subcontracts	1,383,088	1,227,649	1,131,670
	<u>1,795,313</u>	<u>1,517,848</u>	<u>1,427,673</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 83</u>	<u>\$ 69,135</u>	<u>\$ 17,080</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, 2021

	Budget 2021	Actual 2021
REVENUE		
BC Housing subsidies	\$ 87,842	\$ 87,840
Interest and sundry	-	2
Rental	67,500	67,500
	<u>155,342</u>	<u>155,342</u>
EXPENSES		
Administrative		
Audit, accounting and legal	5,000	5,000
Office overhead	2,300	1,852
Wages and employee benefits	12,800	12,652
Administrative costs	8,901	8,901
Bad debts	-	1,125
BCNPH fees	600	290
Insurance	3,550	5,197
Mortgage interest and amortization	53,431	53,431
Repairs and maintenance		
Building	5,000	4,769
Grounds	650	459
Service contracts	3,700	2,081
Wages and employee benefits	25,000	26,739
Replacement reserve provision	12,960	12,960
Utilities		
Electricity	6,900	5,979
Garbage removal	750	551
Heating and hot water	5,300	7,904
Water and sewer	8,500	10,486
	<u>155,342</u>	<u>160,376</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>-</u>	<u>(5,034)</u>
DEFICIENCY RECOVERY (Note 16)	-	5,034
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, 2021

	Budget 2021	Actual 2021
REVENUE		
BC Housing subsidies	\$ 156,554	\$ 158,348
Interest and sundry	-	8
Rental	216,000	228,930
Pandemic pay - Minister of Finance	-	2,482
	372,554	389,768
EXPENSES		
Administrative		
Audit, accounting and legal	5,000	5,000
Office overhead	3,000	2,869
Wages and employee benefits	27,885	28,588
Administrative costs	21,000	21,000
Bad debts	-	3,052
BCNPH fees	1,500	290
Insurance	12,550	17,347
Mortgage interest and amortization	166,638	166,638
Property taxes	9,751	10,381
Repairs and maintenance		
Building	13,000	13,215
Grounds	500	420
Service contracts	6,400	6,114
Wages and employee benefits	26,290	26,290
Replacement reserve provision	30,240	30,240
Utilities		
Electricity	12,000	10,089
Garbage removal	3,100	2,818
Heating and hot water	15,000	16,631
Water and sewer	18,000	22,525
Telephone	-	657
Internet	700	911
	372,554	385,075
EXCESS OF REVENUE OVER EXPENSES	-	4,693
EXCESS REPAYMENT (Note 16)	-	(4,693)
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ -	\$ -

See notes to financial statements