



Lookout Housing and Health Society
Financial Statements
For the Year Ended 31 March 2021



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Independent Auditor's Report

To the Directors of Lookout Housing and Health Society

Opinion

We have audited the accompanying financial statements of Lookout Housing and Health Society (the "Society"), which comprise the Statement of Financial Position as at March 31, 2021 and the Statements of Operations, Changes in Net Assets, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021 and its results of operations, changes in net assets, and 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.

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 (BC), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 31, 2021

Statement of Financial Position

As at 31 March	Note	2021	2020
ASSETS			
Current Assets			
Cash and equivalents		\$ 11,086,164	\$ 9,411,283
Current portion of investments	(4)	2,925,290	1,717,559
Accounts receivable	(8)	1,966,710	727,135
Goods and services tax receivable		77,349	59,039
Prepaid amounts and deposits		391,834	226,623
Due from Lookout Foundation	(10)	-	141,618
		16,447,347	12,283,257
Investments	(4)	3,936,336	4,692,597
Cash Held in Trust by B.C. Housing Management Commission	(5)	35,607	338,039
Capital Assets	(6)	72,661,504	64,002,405
		\$ 93,080,794	\$ 81,316,298
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	(7)	\$ 6,934,639	\$ 6,073,938
Security deposits		307,408	254,404
Deferred contributions	(9)	9,697,629	5,923,162
Current portion of mortgages payable	(12)	1,306,408	1,038,219
Due to Lookout Foundation	(10)	97,345	-
		18,343,429	13,289,723
Replacement Reserves	(11)	1,868,296	1,841,660
Mortgages Payable	(12)	37,630,826	32,758,403
Forgivable Loans Payable	(13)	6,910,618	7,016,054
Deferred Capital Contributions	(14)	16,317,248	15,165,646
		\$ 81,070,417	\$ 70,071,486
NET ASSETS			
Invested in capital assets		10,083,205	8,362,122
Internally restricted	(20)	1,532,788	2,761,901
Unrestricted		394,384	120,789
		12,010,377	11,244,812
		\$ 93,080,794	\$ 81,316,298



Director



Director

Statement of Operations

For the year ended 31 March	Note	2021	2020
Revenue			
British Columbia Housing Management Commission		\$ 29,893,443	\$ 24,972,040
Rental income		5,814,489	4,927,709
Vancouver Coastal Health Authority		5,694,923	5,433,980
Fraser Health Authority		4,151,465	3,708,758
Not-for-profit grants		1,638,579	968,520
Provincial government		1,526,283	323,156
Amortization of deferred capital contributions		893,013	897,923
Vancouver Island Health Authority		721,089	546,268
Donations	(17)	690,026	205,236
Client user fees		687,788	721,763
Federal government		474,850	366,630
Other revenue		281,073	756,110
Municipal governments		271,536	263,759
Recognition of forgivable loans payable		210,150	148,660
Investment income		166,056	244,881
		\$ 53,114,763	\$ 44,485,393
Expenses			
Salaries and benefits		\$ 32,889,283	\$ 28,207,998
Program delivery		4,355,296	3,004,425
Service contracts	(10)	3,441,643	2,879,301
Renovations, repairs and maintenance		3,439,509	1,998,572
Food		2,150,664	1,932,898
Amortization of capital assets		2,056,507	1,887,166
Office and general		1,466,080	985,503
Utilities		1,349,074	1,375,709
Interest on mortgages payable		994,447	698,092
Insurance		252,065	185,676
Professional fees		251,595	186,624
Property taxes		198,245	100,474
Transportation and travel		182,533	190,602
		53,026,941	43,633,040
Excess of revenue over expense		\$ 87,822	\$ 852,353

Statement of Changes in Net Assets

	Invested in capital Assets	Internally restricted	Unrestricted	Total
Balance as at 01 April 2019	\$ 5,125,440	\$ 2,376,848	\$ 1,009,291	\$ 8,511,579
Excess (deficiency) of revenue over expense	(840,583)	-	1,692,936	852,353
Recognition of forgivable loan	1,880,880	-	-	1,880,880
Net change in forgivable loan	(6,800,000)	-	6,800,000	-
Acquisition of capital assets	26,644,081	-	(26,644,081)	-
Net change in mortgage payable	(16,253,327)	-	16,253,327	-
Receipt of deferred capital contributions	(1,436,383)	-	1,436,383	-
Net change in cash held in trust by BC Housing	42,014	-	(42,014)	-
Interfund transfers	-	385,053	(385,053)	-
Balance as at 31 March 2020	\$ 8,362,122	\$ 2,761,901	\$ 120,789	\$ 11,244,812
Balance as at 01 April 2020	\$ 8,362,122	\$ 2,761,901	\$ 120,789	\$ 11,244,812
Excess (deficiency) of revenue over expense	(953,344)	-	1,041,166	87,822
Net change in forgivable loan	(104,714)	-	104,714	-
Acquisition of capital assets	10,037,863	-	(10,037,863)	-
Capital donation for land purchase	677,743	-	-	677,743
Net change in mortgage payable	(5,140,612)	-	5,140,612	-
Net change in promissory note payable	(448,806)	-	448,806	-
Net change in cash held in trust by BC Housing	(302,432)	-	302,432	-
Receipt of deferred capital contributions	(2,044,615)	-	2,044,615	-
Interfund transfers	-	(1,229,113)	1,229,113	-
Balance as at 31 March 2021	\$ 10,083,205	\$ 1,532,788	\$ 394,384	\$ 12,010,377

Statement of Cash Flows

For the year ended 31 March	2021	2020
Operating Activities		
Excess of revenue over expense	\$ 87,822	\$ 852,353
Adjustments for non-cash items:		
Amortization of deferred capital contributions	(893,013)	(897,923)
Recognition of forgivable loan payable	(210,150)	(148,660)
Amortization of capital assets	2,056,507	1,887,166
	\$ 1,041,166	\$ 1,692,936
Changes in non-cash working capital items		
Accounts receivable	\$ (1,239,575)	\$ (14,353)
Goods and services tax recoverable	(18,310)	(12,905)
Prepaid expenses and deposits	(165,211)	105,331
Accounts payable and accrued liabilities	860,701	956,373
Deferred contributions	3,774,467	884,300
Security deposits	53,004	64,557
Due from (to) Lookout Foundation	238,963	(518,655)
	\$ 4,545,205	\$ 3,157,584
Financing Activities		
Proceeds from mortgages payable	\$ 6,511,500	\$ 17,746,688
Repayment of mortgages payable	(1,370,888)	(793,360)
Receipt of forgivable loans	104,714	6,800,000
Replacement reserves funding	304,566	458,470
Expenditures of replacement reserves	(277,930)	(260,899)
Receipt of deferred capital contributions	2,044,615	1,436,383
	\$ 7,316,577	\$ 25,387,282
Investing activities		
Increase in investments	\$ (451,470)	\$ (989,699)
Increase (decrease) in cash held by BC Housing Management Commission	302,432	(42,014)
Acquisition of capital assets	(10,037,863)	(26,644,081)
	\$ (10,186,901)	\$ (27,675,794)
Net increase in cash	\$ 1,674,881	\$ 869,072
Cash and cash equivalents, beginning of year	9,411,283	8,542,211
Cash and cash equivalents, end of year	\$ 11,086,164	\$ 9,411,283

Notes to the Financial Statements for the year ended 31 March, 2021

1. Nature of Operations

Lookout Housing and Health Society was incorporated on 19 July 1974 under the laws of the Societies Act (BC) as a not-for-profit organization originally under the name of Lookout Emergency Aid Society and is a registered charity under the Income Tax Act. The Society provides housing and a range of support services to adults with low or no income who have few, if any, housing or support options. The Society operates 110 programs located with 55 sites and includes 1,750 housing and shelter units.

2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with Canadian Accounting Standards for Not for Profit Organizations and reflect the following significant accounting policies:

a) Revenue Recognition

The Society follows the deferral method of accounting for contributions.

Revenue is recognized from various sources as outlined below:

- i) Restricted contributions are deferred, and recognized as revenue in the year in which the related expenses are incurred.
- ii) Restricted contributions for the purchase of capital assets that will not be amortized, such as land, are recognized as direct increase in net assets.
- iii) 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.
- iv) Capital contributions received for the acquisition of capital assets are deferred and amortized at the same rate as the amortization of the cost of the related capital asset.
- v) Investment income includes dividend and interest income recorded on the accrual basis, as well as realized investment gains and losses and unrealized gains and losses on financial instruments subsequently measured at fair value. Investment income is included in the statement of operations, or deferred depending on the nature of any external restrictions imposed on the investment income. Restricted investment income, including those related to replacement reserves, is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.
- vi) Forgivable loans are recorded as liabilities and are amortized to income evenly over the life of the related acquired asset. The portion of the loan related to land is recorded as a direct contribution to net assets.

Notes to the Financial Statements for the year ended 31 March, 2021

b) Cash Equivalents

Cash equivalents include highly liquid financial instruments with a term of maturity of ninety days or less at the date of acquisition. Cash equivalents are recorded at the lower of cost plus accrued interest and market value.

c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at estimated fair value at the date of contribution.

Capital assets are carried at cost less accumulated amortization. Amortization of capital assets is calculated using the straight line method over their estimated useful lives. The amortization periods applicable to the various classes of property and equipment are as follows:

Buildings	35-40 years
Leasehold improvements	30-40 years
Furniture and fixtures	5 years
Automotive	3 years
Computer hardware	3 years

The leased land is amortized over the lease term of 60 years, and is recorded at historical cost less accumulated amortization. Upon expiration of the lease contract, the property will revert to the lessor.

The prepaid building lease has a term of 60 years, and is recorded at historical cost less accumulated amortization.

Construction in progress is not amortized until completion of the project when the asset is ready for use.

d) Contributed Materials and Services

Contributed materials are recorded, when received, at the third party assessment, only if they would otherwise be purchased.

The Society benefits greatly from contributed services in the form of volunteer time. Management estimates that 5,313 volunteers (2020 – 10,174 volunteers) contributed approximately 26,693 hours (2020 – 64,462 hours) to assist the Society in carrying out its services. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

e) Employee Future Benefits

The Society and its employees make contributions to the Municipal Pension Plan and the employees accrue benefits under this plan based on service. The Society's contributions to the Municipal Pension Plan are expensed when incurred.

Notes to the Financial Statements for the year ended 31 March, 2021

f) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not for profit organizations requires the Society's management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

The areas requiring the greatest degree of estimation are the impairment of long lived assets, the useful lives of capital assets, determining the fair value of contributed assets, and allocation of forgivable loans between land and buildings.

g) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains or losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value and added to the financial instrument's cost for those measured at amortized cost.

3. Financial Instruments Risk

The Society, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at 31 March 2021. There have not been any changes in the risks from the prior year.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk from the interest rate differentials between the market rate and the rates used on investments and mortgages payable.

In seeking to minimize the risk from interest rate fluctuations, the interest rates on the mortgages and investments are fixed. Therefore, the Society is not exposed to significant interest rates risk with respect future cash flow.

b) Credit Risk

Credit risk is the risk that the Society will incur a loss due to the failure by its debtors to meet their contractual obligations. The organization is exposed to credit risk arising from its accounts receivable, which is managed by contracting with high quality funding partners with defined contracts and by initiating a prompt collection process.

Notes to the Financial Statements for the year ended 31 March, 2021

c) Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its obligations as they fall due. The Society maintains adequate levels of working capital to ensure all its obligations can be met when they fall due. Management and the Board prepare detailed budgets and cash flow forecasts to monitor the available cash to manage liquidity.

d) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Society's exposure to foreign exchange risk is not material.

4. Investments

	2021	2020
Term deposits maturing between October 2021 and April 2024, at rates varying from 0.60% to 2.25%	\$ 5,740,525	\$ 5,193,464
Government bonds matured December 2020	-	125,192
GAFF Term deposit maturing February 2022, at a rate of 2.00%	320,944	314,632
RBC Premium Money Market Fund	764,854	762,724
Royal Bank of Canada shares	11,720	13,076
Other shares	23,583	1,068
	6,861,626	6,410,156
Less: Current portion	(2,925,290)	(1,717,559)
	\$ 3,936,336	\$ 4,692,597

5. Cash held in Trust by BC Housing Management Commission (BCHMC)

	2021	2020
Cedar Valley Residential	\$ 35,607	\$ 35,607
Rhoda Kaellis	-	302,432
	\$ 35,607	\$ 338,039

BCHMC holds cash in trust on behalf of the Society related to certain projects. BCHMC released the cash held in trust for Rhoda Kaellis to pay down the principal amount of the mortgage payable when the mortgage for this property was renewed.

Notes to the Financial Statements for the year ended 31 March, 2021

6. Capital Assets

As at year ended 31 March 2021	Cost	Accumulated Amortization	2021 Net Book Value
Land	\$ 20,911,021	\$ -	\$ 20,911,021
Buildings	64,595,724	21,882,484	42,713,240
Leasehold improvements	1,541,472	183,971	1,357,501
Leased land	3,224,436	1,203,403	2,021,033
Prepaid building lease	3,875,000	175,416	3,699,584
Furniture and fixtures	1,607,100	1,307,647	299,453
Automotive	521,137	500,131	21,006
Computer hardware	343,165	330,896	12,269
Construction in progress	1,626,397	-	1,626,397
	\$ 98,245,452	\$ 25,583,948	\$ 72,661,504

As at year ended 31 March 2020	Cost	Accumulated Amortization	2020 Net Book Value
Land	\$ 14,257,087	\$ -	\$ 14,257,087
Buildings	62,055,613	20,152,220	41,903,393
Leasehold improvements	1,489,080	145,095	1,343,985
Leased land	3,224,436	1,149,662	2,074,774
Prepaid Building lease	3,875,000	110,833	3,764,167
Furniture and fixtures	1,394,863	1,174,372	220,491
Automotive	499,537	486,325	13,212
Computer hardware	333,319	308,935	24,384
Construction in progress	400,912	-	400,912
	\$ 87,529,847	\$ 23,527,442	\$ 64,002,405

Notes to the Financial Statements for the year ended 31 March, 2021

7. Accounts Payable and Accrued Liabilities

	2021	2020
Trade accounts and other payables	\$ 2,644,658	\$ 1,944,293
Accrued payroll and benefits	3,202,569	3,305,738
Demand notes payable	918,888	700,000
Government remittances payable	168,524	123,907
	\$ 6,934,639	\$ 6,073,938

Demand notes payable to Vancouver City Savings Credit Union have a repayment term of three to five years with interest rates of 2% per annum.

8. Accounts Receivable

	2021	2020
BC Housing	\$ 764,201	\$ 248,094
Not-for-profit organizations	747,075	155,483
BC Health Authorities	284,122	60,903
Rent	81,237	27,589
Other	90,075	235,065
	\$ 1,966,710	\$ 727,135

9. Deferred Contributions

	Grants	Rent	Donations	Total
Balance at 1 April 2019	\$ 4,751,599	\$ 237,263	\$ 50,000	\$ 5,038,862
Amounts received during the year	4,364,731	263,254	-	4,627,985
Amounts recognized into revenue	(3,257,453)	(237,263)	-	(3,494,716)
Amounts transferred to deferred capital contributions	(248,969)	-	-	(248,969)
Balance at 31 March 2020	\$ 5,609,908	\$ 263,254	\$ 50,000	\$ 5,923,162
Balance at 1 April 2020	\$ 5,609,908	\$ 263,254	\$ 50,000	\$ 5,923,162
Amounts received during the year	7,116,324	244,194	-	7,360,518
Amounts recognized into revenue	(3,322,797)	(263,254)	-	(3,586,051)
Balance at 31 March 2021	\$ 9,403,435	\$ 244,194	\$ 50,000	\$ 9,697,629

Notes to the Financial Statements for the year ended 31 March, 2021

10. Due to/from Lookout Foundation

The Lookout Foundation (the "Foundation") was incorporated in 2011 under the laws of the Societies Act (BC) as a not-for-profit organization and is a registered charity under the Income Tax Act. Its purpose includes soliciting and receiving donations and administering and distributing those funds to support the objectives and activities of the Society. The Foundation is not a controlled entity of the Society as the organizations have independent board of directors with no common board members. The amount receivable from or due to the Foundation is non-interest bearing, unsecured and repayable on demand.

During the year, the Society paid the Foundation services contract fees of \$3,037,533 (2020 - \$2,589,656) for administrative and facilities management, human resources and financial services, public relations and fundraising, as the senior operating team for Lookout Society are employees of Lookout Foundation. The Society paid expense recoveries of \$213,946 (2020 - \$174,917) of which \$172,693 (2020 - \$nil) was for salaries.

The Society paid donated capital and operating contributions of \$379,831 (2020 - \$299,345), in which \$237,765 (2020 - \$109,300) was for unrestricted use and \$142,066 (2020 - \$190,045) is restricted to future programs. The Society received contributions from the Foundation of \$1,624,036 (2020 - \$417,238) which included building costs of \$937,739 (2020 - \$207,850); vehicle and equipment of \$304,474 (2020 - \$34,840); and operational support of \$284,822 (2020 - \$102,900). The transactions are recorded at the exchange amount, being the consideration established and agreed to by the related parties.

11. Replacement Reserves

	2020	Annual Allocation	Expenditures	2021
First Place (BCH)	\$ 660,571	\$ 96,816	\$ 59,364	\$ 698,023
Yukon Housing Centre (BCH)	259,020	963	89,134	170,849
Jim Green (BCH)	160,301	34,672	75,843	119,130
Cliff Block (BCH)	188,944	920	26,619	163,245
Jeffrey Ross (BCH)	121,416	14,856	26,970	109,302
Rhoda Kaellis (BCH)	148,134	18,218	-	166,352
Belcourt Residence (City of Vancouver)	303,274	138,121	-	441,395
	\$ 1,841,660	\$ 304,566	\$ 277,930	\$ 1,868,296

Under the terms of the agreements with BC Housing, Canada Mortgage and Housing Corporation, and the City of Vancouver, the Replacement Reserve accounts are to be credited in the amount determined by the budget provision per annum plus interest earned. As approved expenditures are made, the funding is drawn from the reserve and recognized as revenue.

The funders will review the expenditures and remaining funding on a periodic basis to ensure alignment with the relevant agreements. If expenditures are denied as eligible for replacement reserve funding adjustments will be recognized. At this time, BC Housing has not completed its reviews for the 2020 fiscal year end. There were no adjustments recorded in the fiscal 2021 financial statements.

Notes to the Financial Statements for the year ended 31 March, 2021

12. Mortgages Payable

	2021	2020
544 Columbia Street, New Westminster Vancouver City Savings Credit Union mortgage, bearing interest at 2.50% per annum, repayable in monthly payments of \$23,518. The repayment terms are due for renewal on 8 March 2026.	\$ 5,250,000	\$ -
558 Keefer Street, Vancouver Vancouver City Savings Credit Union mortgage, bearing interest at 3.05% per annum, repayable in monthly payments of \$4,997. The repayment terms are due for renewal on 30 July 2025.	1,031,010	-
524-528 Powell Street CMHC loan bears interest of the Canada Prime rate plus 2% as determined on the maturity date of the loan. The loan matures on the third anniversary of the effective date, 19 June 2022	211,500	-
13802-13804 Grosvenor Road, Surrey MCAP Financial Corporation mortgage, bearing interest at 2.22% per annum, and repayable in monthly payments of \$4,211. The repayment terms are due for renewal on 1 June 2030.	945,496	969,946
Belcourt; 947 East Hastings Street, Vancouver MCAP Financial Corporation mortgage, bearing interest at 2.482% per annum, and repayable in monthly payments of \$13,789. The mortgage will mature on 1 October 2029.	3,774,492	3,845,802
Cedar Valley Residence; 7251 Cedar Valley Connector, Mission MCAP Financial Corporation mortgage, bearing interest at 2.86% per annum, and repayable in monthly payments of \$45,896. The mortgage will mature on 1 December 2029.	11,942,657	12,150,657
Center Street Residence; 2386-88 Center Street, Abbotsford Vancouver City Savings Credit Union mortgage, bearing interest at 3.65% per annum, repayable in monthly payments of \$3,734. The mortgage will mature on 29 March 2023.	771,114	787,715
Chilliwack Residence; 46101 Princess Avenue, Chilliwack Vancouver City Savings Credit Union mortgage, bearing interest at 3.65% per annum, repayable in monthly payment of \$3,734. The mortgage will mature on 7 June 2023.	635,397	648,883
Cliff Block Residence; 606 Clarkson Street, New Westminster TD Canada Trust mortgage, bearing interest at 3.21% per annum, repayable in monthly payments of \$2,803. The repayment terms are due for renewal on 1 July 2028. Secured by a fixed charge on real property.	447,618	466,672
Crawford Manor; 10008-10010 128th Street, Surrey Vancouver City Savings Credit Union mortgage, bearing interest at 2.69% per annum, repayable in monthly payments of \$3,075. The repayment terms are due for renewal on 1 April 2021. Secured by a fixed charge on real property.	572,623	593,928
High Drive Residence; 34860-64 High Drive, Abbotsford Vancouver City Savings Credit Union mortgage, bearing interest at 3.65% per annum, repayable in monthly payments of \$3,744. The mortgage will mature on 29 March 2023	773,075	789,724

Notes to the Financial Statements for the year ended 31 March, 2021

Jeffrey Ross Residence: 510 Alexander Street, Vancouver Canada Mortgage and Housing Corporation mortgage, bearing interest at 2.61% per annum, repayable in monthly payments of \$14,378. The repayment terms are due for renewal on 1 December 2023. Secured by a fixed charge on real property.	1,210,587	1,349,457
Jim Green Residence: 415 Alexander Street, Vancouver Peoples Trust Company mortgage, bearing interest at 2.41% per annum, repayable in monthly payments of \$25,792. The repayment terms are due for renewal on 1 May 2026. Secured by a fixed charge on real property.	2,790,632	3,030,237
Macmillan House: 11184 and 11186 143A Street, Surrey Vancouver City Savings Credit Union mortgage, bearing interest at 4.00% per annum, repayable in monthly payments of \$2,235. The repayment terms are due for renewal on 5 December 2024. Secured by a fixed charge on real property.	354,420	366,948
North Shore Apartment: 101-719 West 3rd Street North Vancouver Vancouver City Union mortgage, bearing interest at 3.65% per annum, and repayable in monthly payments of \$1,694. The mortgage will mature on 31 May 2023.	309,861	318,874
Rhoda Kaellis Residence: 1105 Royal Avenue, New Westminster MCAP mortgage, bearing interest at 1.519% per annum, repayable in monthly payments of \$22,669. The mortgage will mature on 01 January 2031.	5,627,587	6,076,196
Yukon Housing Centre: 2088 Yukon Street, Vancouver TD Canada Trust mortgage, bearing interest at 2.63% per annum, repayable in monthly payments of \$14,472. The repayment terms are due for renewal on 1 May 2027. Secured by a fixed charge on real property and an assignment of rents.	2,289,165	2,401,583
	38,937,234	33,796,622
Less: current portion	(1,306,408)	(1,038,219)
	\$ 37,630,826	\$ 32,758,403

Principal payments due in the next five years, assuming renewal of mortgages on terms similar to existing loans, and thereafter are as follows:

2022	\$ 1,306,408
2023	1,550,725
2024	1,373,696
2025	1,408,624
2026	1,444,474
Thereafter	31,853,307
	\$ 38,937,234

Notes to the Financial Statements for the year ended 31 March, 2021

13. Forgivable Loans Payable

	2021	2020
Cedar Valley Residence: 7251 Cedar Valley Connector, Mission BCHMC forgivable loan is non-interest bearing and will be forgiven over twenty-five years beginning on the first day of the eleventh year following the commencement date of 19 August 2019. If there is a default under the loan agreement, unearned principal plus interest of 2% per annum in excess of the prime rate computed from the date of default will be repayable. Secured by a fixed charge on real property.	\$ 6,800,000	\$ 6,800,000
Less amounts amortized	(2,065,347)	(1,942,367)
	\$ 4,734,653	\$ 4,857,633
Cliff Block Residence: 606 Clarkson Street, New Westminster CMHC forgivable loan expired on 1 January 2019.	\$ 318,000	\$ 318,000
Less amounts amortized	(154,459)	(145,372)
	\$ 163,541	\$ 172,628
Dover Court Residence: 1606 Lynn Valley Road, North Vancouver BCHMC forgivable loan is non-interest bearing and will be forgiven over fifteen years beginning on the first day of the eleventh year following the commencement date of 17 February 2017. If there is a default under the loan agreement, unearned principal plus interest of 2% per annum in excess of the prime rate computed from the date of default will be repayable. Secured by a fixed charge on real property.	\$ 1,494,000	\$ 1,494,000
Less amounts amortized	(1,138,795)	(1,128,902)
	\$ 355,205	\$ 365,098
North Shore Shelter: 705 West 2nd Street, North Vancouver CMHC forgivable loan is non-interest bearing and will be forgiven over fifteen years at a rate of \$27,470 annually, beginning on 1 December 2005. If there is a default under the loan agreement, unearned principal computed from the date of default will be repayable. Terms expired on 1 November 2020.	\$ 412,020	\$ 412,020
Less amounts amortized	(165,354)	(154,336)
	\$ 246,666	\$ 257,684
North Shore Transitional Housing: 705 West 2nd Street, North Vancouver BCHMC forgivable loan is non-interest bearing and will be forgiven over twenty-five years beginning on the first day of the eleventh year following the commencement date of 1 April 2005. If there is a default under the loan agreement, unearned principal plus interest of 2% per annum in excess of the prime rate computed from the date of default will be repayable. Secured by a fixed charge on real property.	\$ 545,380	\$ 545,380
Less amounts amortized	(218,871)	(204,281)
	\$ 326,509	\$ 341,099

Notes to the Financial Statements for the year ended 31 March, 2021

Cliff Block Renovation: 606 Clarkson Street, New Westminster		
BCHMC forgivable loan is non-interest bearing and will be forgiven over ten years beginning on the first year of the anniversary of the commencement date of 05 January 2021. If there is a default under the loan agreement, unearned principal plus interest of 2% per annum in excess of the prime rate computed from the date of default will be repayable. Secured by a fixed charge on real property.	\$ 104,713	\$ -
Less amounts amortized	-	-
	\$ 104,713	\$ -
Rhoda Kaellis Residence: 1105 Royal Avenue, New Westminster		
BCHMC forgivable loan is non-interest bearing and will be forgiven over twenty-five years at a rate of \$21,815 beginning on the first day of the eleventh year following the commencement date of 1 January 2009. If there is a default under the loan agreement, unearned principal plus interest of 2% per annum in excess of the prime rate computed from the date of default will be repayable. Secured by a fixed charge on real property.	\$ 1,650,000	\$ 1,650,000
Less amounts amortized	(670,669)	(628,088)
	\$ 979,331	\$ 1,021,912
	\$ 6,910,618	\$ 7,016,054

14. Deferred Capital Contributions

	2021	2020
BCHMC	\$ 5,989,803	\$ 5,799,259
Other capital grants	6,275,519	5,084,169
Service Canada	4,051,926	4,282,218
	\$ 16,317,248	15,165,646

15. Employee Future Benefits

The Society and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Plan's 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 31 December 2019, plan membership is broken down into 210,000 active members and approximately 105,000 retired members.

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. 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 of 31 December 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The Society paid \$1,493,661 (2020-\$1,497,981) for employer contributions to the Plan in fiscal 2021. The next valuation will be as at 31 December 2021, with results available later in 2022.

Notes to the Financial Statements for the year ended 31 March, 2021

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.

16. Commitments

The Society leases residential buildings under various operating lease arrangements. The required minimum lease payments for base rent until lease maturity are as follows:

2022	\$	229,182
2023		202,847
2024		187,051
2025		150,062
2026		22,487
	\$	791,629

In addition, the Society is required to pay property taxes, repairs and maintenance and other costs related to the properties which is not included in the above figures.

17. Donations

	2021		2020	
Cash donations	\$	237,765	\$	140,568
Donations in kind		452,261		64,668
	\$	690,026	\$	205,236

18. Contingent Liabilities

Under two agreements with BC Housing, BC Housing provided for the funding to the Society to enable the Society to complete building envelope repairs to the Jeffrey Ross Residence and the Jim Green Residence. The funding was comprised partially of repayable subsidies and loans. At the option of BC Housing, the repayable subsidy portion of the funding may be repayable to BC Housing, if any proceeds of litigation are received. There are no litigation proceeds expected and therefore no expectation to repay the subsidies. Accordingly, no liability has been recorded.

A former employee has filed litigation during fiscal 2021. The claim amount is not material.

19. Subsidy Adjustments

BC Housing conducts an annual review of the financial statements and may adjust for any operating surplus or deficit. Funding adjustments are accrued in the fiscal year they are determined by BC Housing. BC Housing has not completed the annual review of the Society's 2020 fiscal year. There are no expected significant net obligations to BC Housing related to fiscal 2020.

Notes to the Financial Statements for the year ended 31 March, 2021

20. Internally Restricted Net Assets

	Replacement Reserve	Renovation Reserve	Health and Training Reserves	Infrastructure Reserve	Accommodation Reserve	Capital Reserve	Total
Internally restricted net assets, 1 April 2019	\$ 637,176	\$ 381,881	\$ 40,072	\$ 275,000	\$ 46,180	\$ 996,539	\$ 2,376,848
Re-classification	46,173	(381,881)	-	(81,507)	(46,180)	463,395	-
Transfer from unrestricted net assets	(34,947)	-	-	100,000	-	320,000	385,053
Internally restricted net assets, 31 March 2020	\$ 648,402	\$ Discontinued	\$ 40,072	\$ 293,493	\$ Discontinued	\$ 1,779,934	\$ 2,761,901
	Replacement Reserve		Health and Training Reserves	Infrastructure Reserve		Capital Reserve	Total
Internally restricted net assets, 1 April 2020	\$ 648,402		\$ 40,072	\$ 293,493		\$ 1,779,934	\$ 2,761,901
Re-classification	20,887		-	-		-	20,887
Transfer from unrestricted net assets	-		-	-		(1,250,000)	(1,250,000)
Internally restricted net assets, 31 March 2021	\$ 669,289		\$ 40,072	\$ 293,493		\$ 529,934	\$ 1,532,788

Notes to the Financial Statements for the year ended 31 March, 2021

21. Remuneration of Directors, Employees and Contractors

The Societies Act (BC) requires that the Society discloses the total remuneration paid to directors, for either being a director or for acting in another capacity, as well as the total remuneration of the top ten most highly remunerated employees or contractors with annual remuneration equal to or greater than \$75,000.

During the years ended 31 March 2021 and 31 March 2020 the amounts paid to the Board of Directors of the Society for acting in their noted capacity was \$nil (2020 - \$nil).

Wages, employee benefits and contractor expenses for the year include ten employees or contractors that each earned over \$75,000 for a total of \$1,242,721 (2020 - \$1,238,672).

22. Funds Held in Trust

The Society administers funds for certain program participants. These funds are held in separate bank accounts by the Society and are not included as assets or liabilities on the statement of financial position. As at 31 March 2021, funds held in trust for participants was \$105,025 (2020 - \$84,752).

23. COVID-19

The impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue there could be an impact on the Society and its members, clients, contractors, supplies and other third part associates that could impact the timing and amounts realized on the Society's assets and future viability.

The Society has managed to continue on housing clients and providing programs and services as an essential service provider. At this time, there has been no material reduction or cancellation of any existing funding arrangements, although some projects have been significantly impacted. The Society has received significant temporary funding to provide additional programs and services to its clients during the pandemic.

Management has reviewed the Society's investments and noted no material impact as the amounts are held in fixed interest instruments or similar pooled funds.

Management has reviewed and revised their forecasts to account for any additional unexpected operating costs and related funding and is satisfied that there are sufficient reserves to be drawn upon to cover any unplanned deficits in fiscal 2021/22. The ultimate duration of disruption and financial impacts cannot be reasonably estimated with any certainty at this time, so the Society's Management will continue to monitor cash flows and financial projections and available reserves.

24. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.