

**COWICHAN HOUSING ASSOCIATION**  
**Financial Statements**  
**Year Ended March 31, 2019**  
*(Unaudited - See Notice To Reader)*

**COWICHAN HOUSING ASSOCIATION**

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**Year Ended March 31, 2019**

*(Unaudited - See Notice To Reader)*

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\*A Professional Corporation

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## NOTICE TO READER

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On the basis of information provided by management, we have compiled the statement of financial position of Cowichan Housing Association as at March 31, 2019 and the statement of revenues and expenditures and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

A handwritten signature in black ink that reads 'Palmer Leslie' in a cursive script.

Duncan, British Columbia  
October 3, 2019

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ACCOUNTANTS

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**COWICHAN HOUSING ASSOCIATION**

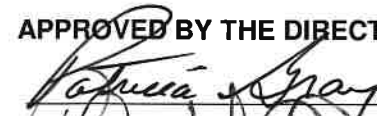
**Statement of Financial Position**

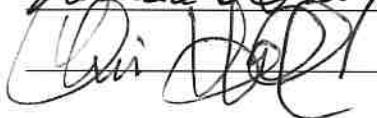
**March 31, 2019**

*(Unaudited - See Notice To Reader)*

	<b>Total 2019</b>	<b>Total 2018</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 21,851	\$ 108,733
Term deposits	-	50,625
Accounts receivable (Note 5)	7,763	9,728
Prepaid expenses (Note 6)	1,500	1,000
	<b>31,114</b>	<b>170,086</b>
<b>TANGIBLE CAPITAL ASSETS (Note 7)</b>	<b>2,972</b>	<b>3,998</b>
	<b>\$ 34,086</b>	<b>\$ 174,084</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Bank indebtedness	\$ -	\$ 6,111
Accounts payable	2,345	11,146
Wages payable	2,779	831
Employee deductions payable	2,171	6,024
Deferred revenue (Note 8)	26,750	149,972
	<b>34,045</b>	<b>174,084</b>
<b>NET ASSETS</b>	<b>41</b>	<b>-</b>
	<b>\$ 34,086</b>	<b>\$ 174,084</b>

**APPROVED BY THE DIRECTORS**

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants

**COWICHAN HOUSING ASSOCIATION**  
**Statement of Revenues and Expenditures and Changes in Net Assets**  
**Year Ended March 31, 2019**

(Unaudited - See Notice To Reader)

	Operations 2019	Housing Loss Prevention 2019	Close to Home Housing First for Youth 2019	Attainable Housing Strategy 2019	Total 2019	Total 2018
<b>REVENUES</b>						
Grant income	\$ 64,174	\$ 75,274	\$ 36,615	\$ 67,492	\$ 243,555	\$ 259,347
Interest	572	-	-	-	572	1,264
Other income	1,417	-	-	-	1,417	900
	<u>66,163</u>	<u>75,274</u>	<u>36,615</u>	<u>67,492</u>	<u>245,544</u>	<u>261,511</u>
<b>EXPENSES</b>						
Accounting and bookkeeping	1,253	-	-	-	1,253	4,713
Advertising and promotion	624	238	53	94	1,009	1,695
Amortization	1,026	-	-	-	1,026	928
Business taxes, licenses and memberships	155	285	-	-	440	394
Insurance	1,251	250	-	-	1,501	1,500
Interest and bank charges	72	-	-	-	72	323
Meals	310	746	414	23	1,493	2,200
Office supplies and administration	1,513	36	11	-	1,560	2,330
Program supplies and fees	-	5,213	-	25	5,238	3,080
Non-recoverable goods and services tax	652	105	628	1,149	2,534	1,129
Honorariums	-	400	3,222	100	3,722	2,324
Rental assistance	-	12,392	-	-	12,392	6,190
Conferences and training	700	-	-	-	700	953
Meeting expenses	40	29	743	1,737	2,549	834
Printing	1,437	757	962	586	3,742	1,721
Rent	3,000	3,000	500	2,500	9,000	8,475
Salaries and benefits	30,800	19,794	20,530	39,948	111,072	194,442
Subcontractors	21,490	31,500	9,149	21,188	83,327	25,810

(continues)

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants

**COWICHAN HOUSING ASSOCIATION**

**Statement of Revenues and Expenditures and Changes in Net Assets (continued)**

**Year Ended March 31, 2019**

*(Unaudited - See Notice To Reader)*

	Operations 2019	Housing Loss Prevention 2019	Close to Home Housing First for Youth 2019	Attainable Housing Strategy 2019	Total 2019	Total 2018
Telephone	305	509	90	-	904	649
Travel	1,807	20	-	142	1,969	1,821
	66,435	75,274	36,302	67,492	245,503	261,511
<b>NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(272)	-	313	-	41	-
<b>NET ASSETS - BEGINNING OF YEAR</b>	-	-	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ (272)	\$ -	\$ 313	\$ -	\$ 41	\$ -

The accompanying notes form an integral part of these financial statements

**Palmer Leslie**  
Chartered Professional Accountants

# COWICHAN HOUSING ASSOCIATION

## Notes to Financial Statements

Year Ended March 31, 2019

Unaudited - See "NOTICE TO READER" dated October 3, 2019.

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### 1. OPERATIONS

Cowichan Housing Association ("the Association") is a Not-for-Profit Association working to increase affordable housing options and to prevent homelessness in the Cowichan Region. The Society was incorporated under the Society Act of British Columbia January 14, 2015.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Accounting standards

These financial statements have been prepared in accordance with standards for Not-for-Profit Organizations which is one of the financial reporting frameworks included in Canadian Generally Accepted Accounting Standards.

#### Fund accounting

The Association follows the deferral method of accounting for contributions. The Operating Fund reports unrestricted and restricted assets, liabilities, revenues and expenses related to the Association's housing. The Capital Fund reports the ownership, liabilities and equity related to the Association's property and equipment. Other funds reflect ongoing programs the Association is running.

#### Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	50%	declining balance method

It is the Association's policy to expense any capital item with a total cost under \$500.

#### Income taxes

The Association is a Not-for-Profit Association and therefore considers itself tax-exempt under the Income Tax Act paragraph 149(1)(L).

#### Cash

Cash includes cash on hand and balances with banks net of bank overdrafts.

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# COWICHAN HOUSING ASSOCIATION

## Notes to Financial Statements

Year Ended March 31, 2019

*Unaudited - See "NOTICE TO READER" dated October 3, 2019.*

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Revenue recognition

Revenue consists of program funding from government agencies and interest from savings.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

#### Estimates

The preparation of these financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

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### 3. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, term deposits, accounts payable and accrued, and security deposits. It is the board's opinion that the Association is not exposed to significant credit risk, market risk or currency risk arising from these financial instruments as of March 31, 2019.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The association is exposed to this risk mainly in respect of its receipt of funds from its tenants and long-term debt.

#### 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 association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its bank indebtedness.

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**COWICHAN HOUSING ASSOCIATION**

**Notes to Financial Statements**

**Year Ended March 31, 2019**

*Unaudited - See "NOTICE TO READER" dated October 3, 2019.*

**4. TERM DEPOSITS**

Current period amounts are internally restricted by the Association for the repair and replacement of property and are represented by term deposits/GIC's held by financial institutions as follows:

	<u>2019</u>	<u>2018</u>
Term deposit @ 0.5% to mature January 30, 2019	\$ -	\$ 50,625

**5. ACCOUNTS RECEIVABLE**

	<u>2019</u>	<u>2018</u>
GST recoverable	\$ 796	\$ 987
Service Canada	<u>6,967</u>	<u>8,741</u>
	<u>\$ 7,763</u>	<u>\$ 9,728</u>

**6. PREPAID EXPENSES**

	<u>2019</u>	<u>2018</u>
Rent deposit	\$ 1,500	\$ 1,000

**7. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	<u>2019 Net book value</u>	2018 Net book value
Computer equipment	\$ 3,689	\$ 2,108	\$ 1,581	\$ 2,259
Furniture and fixtures	2,007	616	<u>1,391</u>	<u>1,739</u>
	<u>\$ 5,696</u>	<u>\$ 2,724</u>	<u>\$ 2,972</u>	<u>\$ 3,998</u>

The Association recorded amortization of \$1,026 in the current year (2018 - \$928).

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**Notes to Financial Statements**

**Year Ended March 31, 2019**

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8. DEFERRED REVENUE

Deferred contributions represent government funding received that remain unspent. Changes in the deferred contributions balance are as follows:

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 149,972	\$ 210,481
CVRD VIHA Grant revenue received	100,623	135,572
Youth Housing First Project grant	-	14,400
Amount recognized as revenue in the year	<u>(223,845)</u>	<u>(210,481)</u>
Balance, end of year	<u>\$ 26,750</u>	<u>\$ 149,972</u>

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9. ECONOMIC DEPENDENCY AND GOING CONCERN

The Association derives most of its funding from government agencies. In the event that such funding is not available, the Association would require alternate funding sources in order to meet its financial obligations.

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10. UNALTERABLE CLAUSE

In the event of dissolution, any remaining assets of the Association are to be distributed to a recognized charitable organization in British Columbia, Canada with similar objectives or to a suitable level of government.

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