

**COWICHAN HOUSING ASSOCIATION**  
**Financial Statements**  
**Year Ended March 31, 2022**

**COWICHAN HOUSING ASSOCIATION**

**Index to Financial Statements**

**Year Ended March 31, 2022**

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	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10
Programs ( <i>Schedule 1</i> )	11 - 12
Programs ( <i>Schedule 2</i> )	13 - 14



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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of Cowichan Housing Association

*Report on the Financial Statements*

*Opinion*

We have audited the financial statements of Cowichan Housing Association ("the association"), which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the association as at March 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*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 association 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 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 ASNPO, 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 association'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 association or to cease operations, or has no realistic alternative but to do so.

*(continues)*

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Independent Auditor's Report to the Directors of Cowichan Housing Association *(continued)*

Those charged with governance are responsible for overseeing the association'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 association'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 association'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 association 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.



Duncan, British Columbia  
November 3, 2022

CHARTERED PROFESSIONAL  
ACCOUNTANTS





**COWICHAN HOUSING ASSOCIATION**

**Statement of Financial Position**

**March 31, 2022**

	2022 <i>March 31</i>	2021 <i>March 31</i>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 594,752	\$ 631,446
Term deposits (Note 4)	35,403	35,294
Accounts receivable (Note 5)	1,473,316	178,148
Prepaid expenses	-	4,108
	2,103,471	848,996
<b>TANGIBLE CAPITAL ASSETS (Note 6)</b>	837,903	241,098
	<b>\$ 2,941,374</b>	<b>\$ 1,090,094</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 152,799	\$ 89,261
Wages payable	21,416	7,016
Employee deductions payable	17,336	3,551
Deferred revenue (Note 7)	2,736,697	977,140
	2,928,248	1,076,968
<b>NET ASSETS</b>	13,126	13,126
	<b>\$ 2,941,374</b>	<b>\$ 1,090,094</b>

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

See notes to financial statements

**Palmer Leslie**  
Chartered Professional Accountants

**COWICHAN HOUSING ASSOCIATION**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2022**

	Operating Fund Fund	Capital Fund	Restricted Fund	<b>2022</b>	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ (2,220)	\$ 241,098	\$ (225,752)	<b>\$ 13,126</b>	\$ 2,854
Excess of revenues over expenses	-	-	-	-	10,272
Tangible capital assets purchased	(4,108)	837,264	(833,156)	-	-
Tangible capital assets disposed	-	(239,432)	239,432	-	-
Current year amortization	1,027	(1,027)	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ (5,301)</b>	<b>\$ 837,903</b>	<b>\$ (819,476)</b>	<b>\$ 13,126</b>	<b>\$ 13,126</b>

See notes to financial statements

*Palmer Leslie*  
Chartered Professional Accountants

**COWICHAN HOUSING ASSOCIATION**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2022**

	2022 <i>March 31</i>	2021 <i>March 31</i>
<b>REVENUES</b>		
BC Housing	\$ 927,666	\$ 806,325
CMHA - Cowichan Valley Branch	-	61,711
Cowichan Valley Regional District - Operational	176,023	287,683
Cowichan Valley Regional District - Housing Trust Fund	368,000	-
GoFundMe	-	27,311
Interest	342	427
Province of BC	277,616	104,977
Red Cross	12,933	184,755
Reaching Home (United Way)	271,848	100,621
UBCM (Municipality of North Cowichan)	277,549	-
	<u>2,311,977</u>	<u>1,573,810</u>
<b>EXPENSES</b>		
Accounting and bookkeeping	22,293	21,304
Advertising and promotion	3,716	841
Amortization	1,027	22,321
Insurance	14,379	1,626
Office supplies	8,001	7,649
Program supplies	306,379	216,305
Non-recoverable goods and services tax	19,565	-
Honorariums	1,120	28,226
Rental assistance	33,827	7,941
Professional development	140	1,226
Staff Appreciation	562	-
Sanitation	2,501	-
Rent	20,967	14,736
Repairs and maintenance	74,850	111,909
Salaries and benefits	553,937	141,687
Subcontractors	560,140	975,132
Telephone	2,392	1,793
Travel	13,493	6,885
Utilities	5,256	3,547
Meals for residents	60,000	410
Sleeping units donation	239,432	-
Housing Trust Fund - Ladysmith Resource Centre Association Contribution	317,000	-
Housing Trust Fund - Cowichan Elders Care Contribution	51,000	-
	<u>2,311,977</u>	<u>1,563,538</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ 10,272</u>

See notes to financial statements

***Palmer Leslie***  
Chartered Professional Accountants

**COWICHAN HOUSING ASSOCIATION**

**Statement of Cash Flows**

**Year Ended March 31, 2022**

	2022 <i>March 31</i>	2021 <i>March 31</i>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ -	\$ 10,272
Item not affecting cash:		
Amortization of tangible capital assets	1,027	22,321
	<u>1,027</u>	<u>32,593</u>
Changes in non-cash working capital:		
Accounts receivable	(1,295,168)	(159,228)
Accounts payable	63,541	86,598
Deferred revenue	1,759,557	597,756
Prepaid expenses	4,108	(4,108)
Wages payable	14,400	6,609
Employee deductions payable	13,785	934
	<u>560,223</u>	<u>528,561</u>
Cash flow from operating activities	<u>561,250</u>	<u>561,154</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(837,264)	(261,199)
Proceeds on disposal of tangible capital assets	239,432	-
Cash flow used by investing activities	<u>(597,832)</u>	<u>(261,199)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(36,582)</b>	<b>299,955</b>
Cash - beginning of year	<u>666,740</u>	<u>366,784</u>
<b>CASH - END OF YEAR</b>	<b>\$ 630,158</b>	<b>\$ 666,739</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 594,752	\$ 631,446
Term deposits	35,403	35,294
	<u>\$ 630,155</u>	<u>\$ 666,740</u>

See notes to financial statements

***Palmer Leslie***  
Chartered Professional Accountants



# COWICHAN HOUSING ASSOCIATION

## Notes to Financial Statements

Year Ended March 31, 2022

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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 on January 14, 2015.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### 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 programs. 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:

Computer equipment	50%	declining balance method
Furniture and fixtures	20%	declining balance method
Sleeping Units	24 Months	straight-line 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, 2022

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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, 2022.

#### 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.

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### 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>2022</u>	<u>2021</u>
Term Deposit @ 0.9% to mature July 4, 2022	\$ 35,403	\$ 35,294

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Chartered Professional Accountants

**COWICHAN HOUSING ASSOCIATION**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

5. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
GST recoverable	\$ 37,479	\$ 19,658
GoFundMe	-	27,311
Modus	-	4,680
Red Cross	-	26,978
Reaching Home (United Way)	159,294	99,521
UBCM (Municipality of North Cowichan)	1,233,156	-
BC Housing	43,387	-
	<u>\$ 1,473,316</u>	<u>\$ 178,148</u>

The Association recorded Allowance for Doubtful Accounts of \$nil in the current year (2021 - \$nil).

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 7,797	\$ 3,763	\$ 4,034	\$ 775
Furniture and fixtures	2,007	1,294	713	891
Sleeping Units	833,156	-	833,156	239,432
	<u>\$ 842,960</u>	<u>\$ 5,057</u>	<u>\$ 837,903</u>	<u>\$ 241,098</u>

The Association recorded amortization of \$1,027 in the current year (2021 - \$22,321).

7. DEFERRED REVENUE

	<u>2022</u>	<u>2021</u>
Opening balance	\$ 977,140	\$ 379,384
Recognized in revenue during the year	(844,127)	(179,927)
Contributions received during the year	2,603,684	777,683
	<u>\$ 2,736,697</u>	<u>\$ 977,140</u>

Deferred contribution balances consist of:

BC Housing	\$ 6,533	\$ 265,686
Cowichan Valley Regional District - Operational	276,908	458,896
Cowichan Valley Regional District - Housing Trust Fund	124,000	-
Province of BC (Rental Assistance)	10,688	13,125
Reaching Home (United Way)	128,555	239,433
UBCM (Municipality of North Cowichan)	2,190,013	-
	<u>\$ 2,736,697</u>	<u>\$ 977,140</u>

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## COWICHAN HOUSING ASSOCIATION

### Notes to Financial Statements

Year Ended March 31, 2022

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#### 8. 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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#### 9. 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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#### 10. RELATED PARTY TRANSACTIONS

In the current fiscal year, there were no payments to Board of Directors that would be considered wages or contract.

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#### 11. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the current year presentation standards..

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**COWICHAN HOUSING ASSOCIATION  
Programs  
(Schedule 1)**

**Year Ended March 31, 2022**

	Regional Housing Operations	Regional Housing Service -	Regional Housing Service - Project Development Funding	Regional Housing Service - Emergency Contingency Fund	Housing Loss Prevention - Indigenous Emergency Assistance Program	COVID 19 Temporary Housing Projects	2022	2021
<b>REVENUES</b>								
BC Housing	\$ -	\$ -	\$ -	\$ 15,977	\$ -	\$ 911,689	\$ 927,666	\$ 806,325
CMHA - Cowichan Valley Branch	-	-	-	-	-	-	-	61,711
Cowichan Valley Regional District - Operational	52,543	117,535	5,945	-	-	-	176,024	287,683
GoFundMe	-	-	-	-	-	-	-	27,311
Interest	342	-	-	-	-	-	342	427
Province of BC	-	-	-	-	-	210,243	210,243	104,977
Red Cross	-	-	-	-	-	12,933	12,933	184,755
Reaching Home (United Way)	-	-	-	-	11,275	239,432	250,708	100,621
	52,885	117,535	5,945	15,977	11,275	1,374,297	1,577,916	1,573,810
<b>EXPENSES</b>								
Non-recoverable goods and services tax								
Staff Appreciation	721	179	145	136	1	14,547	15,729	-
Sleeping units donation	562	-	-	-	-	-	562	-
Meals for residents	-	-	-	-	-	239,432	239,432	-
Accounting and bookkeeping	1,339	-	-	-	-	58,000	58,000	410
Advertising and promotion	1,680	1,339	-	-	-	20,954	22,293	21,304
Amortization	-	1,027	-	-	-	-	3,019	841
Honorariums	-	-	-	-	-	-	1,026	22,321
Insurance	2,487	-	-	-	-	9,637	12,124	28,226
Office supplies	2,795	2,232	-	131	-	1,374	6,532	1,626
Professional development	140	-	-	-	-	-	140	7,649
Program supplies	939	-	-	8,204	58	39,340	48,541	1,226
Rent	6,895	11,500	-	-	-	-	18,395	216,305
Rental assistance	-	-	-	-	9,600	-	9,600	14,736
	-	-	-	-	-	-	-	7,941

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See notes to financial statements

**Palmer Leslie**  
Chartered Professional Accountants

**COWICHAN HOUSING ASSOCIATION**  
**Programs (continued)**  
**(Schedule 1)**

**Year Ended March 31, 2022**

	Regional Housing Services	Regional Housing Service - Project Development Funding	Regional Housing Service - Emergency Contingency Fund	Housing Loss Prevention - Indigenous Emergency Assistance Program	COVID 19 Temporary Housing Projects	2022	2021
Repairs and maintenance	-	-	-	-	74,850	74,850	111,909
Salaries and benefits	32,074	91,243	-	-	369,573	494,506	141,687
Subcontractors	270	10,015	7,077	1,616	529,470	552,635	975,132
Telephone	1,903	-	-	-	488	2,391	1,793
Travel	1,080	-	429	-	11,376	12,885	6,885
Utilities	-	-	-	-	5,256	5,256	3,547
<b>Total</b>	<b>52,885</b>	<b>117,535</b>	<b>15,977</b>	<b>11,275</b>	<b>1,374,297</b>	<b>1,577,916</b>	<b>1,563,538</b>
<b>INCOME FROM OPERATIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,272</b>

See notes to financial statements

**Palmer Leslie**  
Chartered Professional Accountants

**COWICHAN HOUSING ASSOCIATION  
Programs  
(Schedule 2)**

**Year Ended March 31, 2022**

	Cabin Transition - Indigenous funding	Housing Trust Fund - Service Rental Housing Capital Contribution Fund	HLP YR 1 - RH Designated	Rent Bank Pilot Project	UBCM (Municipality of North Cowichan) "The Village" Temp. Housing	2021 Total	2022 Total
<b>REVENUES</b>							
UBCM (Municipality of North Cowichan)	\$ -	\$ -	\$ -	\$ -	\$ 277,549	\$ -	\$ 277,549
Province of BC	-	-	62,469	4,904	-	-	67,373
Cowichan Valley Regional District - Housing Trust Fund	-	368,000	-	-	-	-	368,000
Reaching Home (United Way)	21,141	-	-	-	-	-	21,141
	21,141	368,000	62,469	4,904	277,549	-	734,063
<b>EXPENSES</b>							
Advertising and promotion	-	-	697	-	-	-	697
Insurance	-	-	-	-	2,255	-	2,255
Office supplies	-	-	678	-	791	-	1,469
Salaries and benefits	12,514	-	31,688	-	15,229	-	59,431
Subcontractors	1,050	-	-	4,808	1,651	-	7,509
Travel	-	-	608	-	-	-	608
Program supplies	4,030	-	474	-	253,334	-	257,838
Non-recoverable goods and services tax	539	-	34	96	3,169	-	3,838
Honorariums	-	-	-	-	1,120	-	1,120
Rental assistance	-	-	24,226	-	-	-	24,226
Rent	507	-	2,064	-	-	-	2,571
Sanitation	2,501	-	-	-	-	-	2,501
Meals for residents	-	-	2,000	-	-	-	2,000
Housing Trust Fund - Ladysmith Resource Centre Association Contribution	-	317,000	-	-	-	-	317,000
Housing Trust Fund - Cowichan Elders Care Contribution	-	51,000	-	-	-	-	51,000
	21,141	368,000	62,469	4,904	277,549	-	734,063

(continues)

See notes to financial statements

**Palmer Leslie**  
Chartered Professional Accountants

**COWICHAN HOUSING ASSOCIATION**  
**Programs (continued)**  
**(Schedule 2)**

**Year Ended March 31, 2022**

	Cabin Transition - Indigenous funding	Housing Trust Fund - Service Rental Housing Capital Contribution Fund	HLP YR 1 - RH Designated	Rent Bank Pilot Project	UBCM (Municipality of North Cowichan) "The Village" Temp. Housing	2021 Total	2022 Total
<b>INCOME FROM OPERATIONS</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See notes to financial statements

**Palmer Leslie**  
Chartered Professional Accountants