

COWICHAN HOUSING ASSOCIATION
Compiled Financial Information
Year Ended March 31, 2023

COWICHAN HOUSING ASSOCIATION
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Year Ended March 31, 2023

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COMPILATION ENGAGEMENT REPORT

To the Management of Cowichan Housing Association

On the basis of information provided by management, we have compiled the statement of financial position of Cowichan Housing Association as at March 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Duncan, British Columbia
November 16, 2023

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COWICHAN HOUSING ASSOCIATION
Statement of Financial Position
March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 708,957	\$ 594,752
Term deposits (Note 5)	35,872	35,403
Accounts receivable (Note 6)	1,113,618	1,473,316
	1,858,447	2,103,471
TANGIBLE CAPITAL ASSETS (Net of accumulated amortization) (Note 7)	527,090	837,903
	\$ 2,385,537	\$ 2,941,374
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 63,793	\$ 152,799
Wages payable	19,489	21,416
Employee deductions payable	5,122	17,336
Deferred revenue (Note 8)	2,284,007	2,736,697
	2,372,411	2,928,248
NET ASSETS	13,126	13,126
	\$ 2,385,537	\$ 2,941,374

ON BEHALF OF THE BOARD


Alana Robinson Director
 2024-Jan-02 17:09 Director

2024-Jan-03 19:16

COWICHAN HOUSING ASSOCIATION
Statement of Revenues and Expenditures
Year Ended March 31, 2023

	2023 Total	2022 Total
REVENUES		
BC Housing	\$ 10,017	\$ 1,142,813
CVRD - Operational	190,781	176,023
CVRD - Housing Trust Fund	-	368,000
Red Cross	-	12,933
Reaching Home (United Way)	236,985	334,317
UBCM (Municipality of North Cowichan)	1,248,611	277,549
Interest	4,833	342
	<u>1,691,227</u>	<u>2,311,977</u>
EXPENSES		
Advertising and promotion	8,451	3,716
Amortization	314,311	1,027
Emergency assistance	31,795	33,827
Honorariums	27,141	1,120
Housing Trust Fund - LRCA Contribution	-	317,000
Housing Trust Fund -Cowichan Elders Care	-	51,000
Insurance	13,842	14,379
Meeting refreshments (HLP food vouchers)	6,278	60,000
Non-recoverable GST	5,830	19,565
Office supplies	14,262	8,001
Overhead	24,561	20,967
Professional development and travel	2,824	13,633
Professional fees	14,768	22,293
Program supplies and infrastructure	676,799	306,379
Repairs and maintenance	58,087	74,850
Salaries and wages	389,023	553,937
Sanitation	25,715	2,501
Sleeping units donation	-	239,432
Staff appreciation	608	562
Subcontractors	54,791	560,140
Telephone	4,629	2,392
Utilities	17,512	5,256
	<u>1,691,227</u>	<u>2,311,977</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes form an integral part of the financial information

COWICHAN HOUSING ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2023

	Operating Fund	Capital Fund	Restricted Fund	2023	2022
NET ASSETS - BEGINNING OF YEAR					
Tangible capital asset purchased	\$ (5,301)	\$ 837,903	\$ (819,476)	\$ 13,126	\$ 13,126
Current year amortization	(3,497)	3,497	-	-	-
	314,311	(314,311)	-	-	-
NET ASSETS - END OF YEAR	\$ 305,513	\$ 527,089	\$ (819,476)	\$ 13,126	\$ 13,126

The accompanying notes form an integral part of the financial information

COWICHAN HOUSING ASSOCIATION**Statement of Cash Flows****Year Ended March 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ -	\$ -
Item not affecting cash:		
Amortization of tangible capital assets	<u>314,311</u>	1,027
	<u>314,311</u>	<u>1,027</u>
Changes in non-cash working capital:		
Accounts receivable	359,698	(1,295,171)
Accounts payable	(89,007)	63,541
Deferred revenue	(452,690)	1,759,557
Prepaid expenses	-	4,108
Wages payable	(1,927)	14,400
Employee deductions payable	(12,214)	13,785
	<u>(196,140)</u>	<u>560,220</u>
Cash flow from operating activities	<u>118,171</u>	<u>561,247</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(3,497)	(837,264)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>239,432</u>
Cash flow used by investing activities	<u>(3,497)</u>	<u>(597,832)</u>
INCREASE (DECREASE) IN CASH FLOW	114,674	(36,585)
Cash - beginning of year	<u>630,155</u>	<u>666,740</u>
CASH - END OF YEAR	\$ 744,829	\$ 630,155
CASH CONSISTS OF:		
Cash	\$ 708,957	\$ 594,752
Term deposits	<u>35,872</u>	<u>35,403</u>
	<u>\$ 744,829</u>	<u>\$ 630,155</u>

The accompanying notes form an integral part of the financial information

COWICHAN HOUSING ASSOCIATION
Notes to Compiled Financial Information
Year Ended March 31, 2023

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 Association was incorporated under the Society Act of British Columbia on January 14, 2015.

2. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the statement of financial position of Cowichan Housing Association as at March 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable
 - property, plant and equipment are amortized on the same basis as for income tax;
 - Accounts payable and accrued liabilities
-

3. 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 unrestrictred 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 or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer equipment	50% declining balance method
Furniture and fixtures	20% declining balance method
Sleeping Units	32 Months straight-line method

The organization regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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

Income taxes

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

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COWICHAN HOUSING ASSOCIATION
Notes to Compiled Financial Information
Year Ended March 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

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

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.

4. 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, 2023.

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.

5. TERM DEPOSITS

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

	2023	2022
Term Deposit @ 2.25% to mature June 29, 2023	\$ 35,872	\$ 35,403

6. ACCOUNTS RECEIVABLE

	2023	2022
GST recoverable	\$ 8,972	\$ 37,479
UBCM (City of Duncan)	24,350	-
UBCM (Municipality of North Cowichan)	928,915	1,233,156
Reaching Home (United Way)	151,381	159,294

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COWICHAN HOUSING ASSOCIATION
Notes to Compiled Financial Information
Year Ended March 31, 2023

6. ACCOUNTS RECEIVABLE (continued)

	2023	2022
BC Housing	-	43,387
	\$ 1,113,618	\$ 1,473,316

The Association recorded Allowance for Doubtful Accounts of \$nil in the current year (2022 - \$nil).

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 11,294	\$ 5,498	\$ 5,796	\$ 4,034
Furniture and fixtures	2,007	1,437	571	713
Sleeping Units	833,156	312,433	520,723	833,156
	\$ 846,457	\$ 319,368	\$ 527,090	\$ 837,903

The Association recorded amortization of \$314,311 in the current year (2022 - \$1,027).

8. DEFERRED REVENUE

Deferred contribution balances consist of:

	2023	2022
Cowichan Valley Regional District	\$ 58,461	\$ 273,412
Sleeping Units UBCM	520,722	-
HLP and Indigenous	1,364	12,163
UBCM	557,563	2,190,013
Place to Be UBCM	517,934	-
Pov. Red. UBCM	17,933	-
PIT	48,288	-
Cabin Trans/EA	43,057	116,393
CHA Project MGMT (incl.hist.defer)	326,934	-
Coor.Access UW	44,328	-
RHS Trust Fund (CC and PDF)	138,100	127,495
Inc. Assistance	9,323	10,688
BCH YR 1 / Covid	-	6,533
	2,284,007	2,736,697
	\$ 2,284,007	\$ 2,736,697

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.

COWICHAN HOUSING ASSOCIATION
Notes to Compiled Financial Information
Year Ended March 31, 2023

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.

11. RELATED PARTY TRANSACTIONS

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

12. COMPARATIVE FIGURES

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

COWICHAN HOUSING ASSOCIATION

Programs

(Schedule 1)

Year Ended March 31, 2023

	A Place to Be - UBCM	Cabin Tran/EA Funding - UW	Coordinated Access - UW	Covid Cabins and VPCR RAMADA	CVRD RHS OPS (Operating Grant)	2023 Total
REVENUES						
BC Housing	\$ -	\$ -	\$ -	\$ 10,017	\$ -	\$ 10,017
CVRD - Operational	-	-	-	-	190,781	190,781
Reaching Home (United Way)	-	75,307	77,156	-	-	152,463
UBCM (Municipality of North Cowichan)	136,052	-	-	-	-	136,052
Interest	-	-	-	-	4,833	4,833
	136,052	75,307	77,156	10,017	195,614	494,146
EXPENSES						
Professional fees	-	-	-	-	14,768	14,768
Advertising and promotion	-	-	1,309	305	5,936	7,550
Amortization	-	-	-	-	1,877	1,877
Insurance	-	84	-	-	1,806	1,890
Meeting refreshments (HLP food vouchers)	-	3,000	94	-	434	3,528
Office supplies	-	286	2,629	-	8,219	11,134
Honorariums	-	-	3,552	-	819	4,371
Non-recoverable GST	798	1,359	187	427	1,253	4,024
Emergency assistance	-	11,445	-	-	-	11,445
Staff appreciation	-	-	-	-	608	608
Overhead	-	256	1,770	-	15,494	17,520
Repairs and maintenance	-	54,000	-	32	-	54,032
Salaries and wages	55,203	4,588	60,578	22,473	138,542	281,384
Subcontractors	-	-	4,000	14,569	-	18,569
Program supplies and infrastructure	50,113	289	93	2,209	1,642	54,346
Telephone	-	-	1,073	-	3,079	4,152
Professional development and travel	-	-	591	75	1,137	1,803
	106,114	75,307	75,876	40,090	195,614	493,001
INCOME (LOSS) FROM OPERATIONS	\$ 29,938	\$ -	\$ 1,280	\$ (30,073)	\$ -	\$ 1,145

The accompanying notes form an integral part of the financial information

COWICHAN HOUSING ASSOCIATION

Programs

(Schedule 2)

Year Ended March 31, 2023

	Housing Loss Prevention - UW	PIT 2023 2024	Poverty Reduction - UBCM	UBCM Temp Housing (The Village)	2023 Total
REVENUES					
Reaching Home (United Way)	\$ 74,581	\$ 9,941	\$ -	\$ -	\$ 84,522
UBCM (Municipality of North Cowichan)	-	-	30,767	1,081,792	1,112,559
	<u>74,581</u>	<u>9,941</u>	<u>30,767</u>	<u>1,081,792</u>	<u>1,197,081</u>
EXPENSES					
Advertising and promotion	262	-	-	639	901
Amortization	-	-	-	312,433	312,433
Insurance	601	-	-	11,351	11,952
Meeting refreshments (HLP food vouchers)	2,750	-	-	-	2,750
Office supplies	127	-	1,247	1,754	3,128
Honorariums	-	675	1,250	20,845	22,770
Non-recoverable GST	67	3	169	1,567	1,806
Emergency assistance	20,350	-	-	-	20,350
Sanitation	-	-	-	25,715	25,715
Overhead	2,321	-	2,950	1,770	7,041
Repairs and maintenance	-	-	-	4,056	4,056
Salaries and wages	45,756	2,739	18,802	40,341	107,638
Subcontractors	-	6,060	6,333	23,830	36,223
Program supplies and infrastructure	2,144	165	-	620,144	622,453
Telephone	-	100	-	376	476
Professional development and travel	203	199	16	604	1,022
Utilities	-	-	-	17,512	17,512
	<u>74,581</u>	<u>9,941</u>	<u>30,767</u>	<u>1,082,937</u>	<u>1,198,226</u>
LOSS FROM OPERATIONS	\$ -	\$ -	\$ -	\$ (1,145)	\$ (1,145)

The accompanying notes form an integral part of the financial information