

# COWICHAN HOUSING ASSOCIATION

# ANNUAL REPORT 2020



[WWW.COWICHANHOUSING.COM](http://WWW.COWICHANHOUSING.COM)

# THANK YOU TO OUR PAST AND PRESENT PARTNERS AND SUPPORTERS



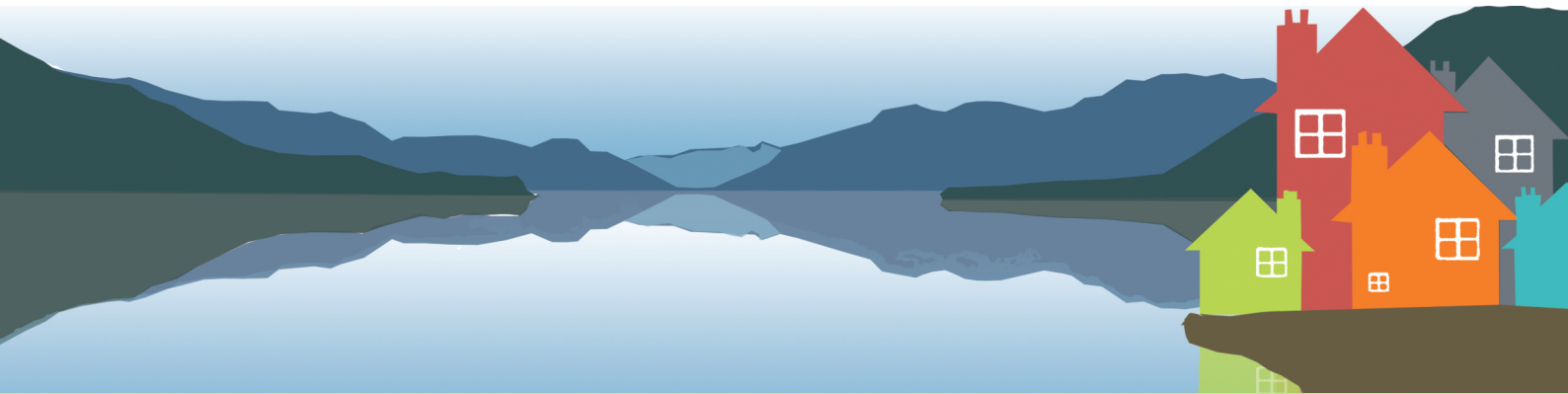
Canada 



BC Housing  
 Canadian Mental Health Association-  
 Cowichan Valley Branch  
 City of Duncan  
 Clements Centre  
 Cowichan Valley Division of Family Practice  
 Cowichan Basket Society  
 Cowichan Family Life Association  
 Cowichan Green Community  
 Cowichan Independent Living Resource Centre  
 Cowichan Intercultural Society  
 Cowichan Lake Community Services  
 Cowichan Neighborhood House Association  
 Cowichan Tribes  
 Cowichan Valley Regional District  
 Cowichan Valley Youth Services  
 Cowichan Women Against Violence  
 CVRD Cowichan Community Centre  
 CVRD, Economic Development  
 Discovery Youth and Family Substance Use Services  
 Duncan Community Corrections  
 Duncan Mental Health  
 Duncan United Church  
 First Nations Health Authority  
 Habitat for Humanity  
 Halalt First Nation  
 Hiiye'yu Lelum Society  
 Hiiyeyu Lelum Society: Healthiest Babies  
 H'ulh-etun Health Society  
 Island Health  
 Ladysmith Resources Centre Association (LRCA)  
 Literacy Now Cowichan  
 Lyackson First Nation  
 M'akola Housing  
 M'akola Development  
 Malahat Nation  
 Meals on the Ground  
 Ministry of Child and Family Development  
 Ministry of Social Development  
 MLA Doug Routley  
 MLA Sonia Furstenu  
 MP Alastair MaGregor  
 Municipality of North Cowichan  
 Our Cowichan Communities Health Network  
 RCMP- North Cowichan/Duncan Detachment  
 School District 79  
 Cowichan Valley Open Learning Cooperative SD79  
 Social Planning Cowichan  
 Town of Ladysmith  
 Ts'ewulhtun Health Centre  
 United Way Central & North Vancouver Island

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## MESSAGE FROM THE CHAIRS:

This year marked an important transition for Cowichan Housing Association as we embarked on a new Regional Housing Service for the Cowichan Valley Regional District under the authority of CVRD Bylaw No. 4201. Seed and capital funding are critical to affordable housing success in the not for profit sector, and through the creation of the Regional Housing Service that includes a Housing Trust Fund, the CVRD now has access to such funding. As the delivery agents for the Service the CHA is now better able to leverage expert skills, know-how and funding to support the needs of local entities developing affordable housing projects.

We welcomed our new Executive Director, John Horn, an expert advisor on affordable housing to help us chart a course of helping house Cowichan. John has spent this first year meeting with community stakeholders, coordinating and identifying potential partnerships, and assisting organizations interested in building affordable housing to plan projects and navigate various funding streams. So far, we have approved funding for projects that collectively could provide the Cowichan Valley with up to 200 affordable units in Ladysmith, Lake Cowichan and Duncan. We are excited by the community's interest and we look forward to facilitating more conversations that will lead to partnerships and collaborations to increase the affordable housing inventory across the Valley.



Gail Calderwood



Joy Hayden

CHA's work also aims to prevent homelessness and we have continued to support those programs. The COVID 19 pandemic surfaced at the end of our fiscal year. It highlighted the need to respond to those homeless in our community. The pandemic continues and we face uncertainty as to what tomorrow, next month, and next year will look like. Yet we can look ahead to the next fiscal year with optimism on the affordable housing front knowing that we now have a Regional Housing Service and the regional ability to translate BC Housing's call for proposals into local housing for those in need.

CHA is committed to helping to develop housing to address the housing needs of individuals and families across the Cowichan Valley. Still, CHA cannot solve the affordable housing shortage in the valley on its own. It will take the synergies of the CHA, the Housing Trust Fund and the greater community. We look ahead to new partnerships, collaborations, helping to build Cowichan.

Co-Chairs,  
Gail Calderwood and Joy Hayden



## MESSAGE FROM THE EXECUTIVE DIRECTOR:

The last 12 months have seen a tremendous amount of activity at Cowichan Housing Association; in May of 2019, we entered into a Financial Contribution Agreement with the Cowichan Valley Regional District (CVRD) to provide programs and services related to affordable housing and homelessness prevention. Since then we have been implementing that mandate and working with community partners to facilitate and support affordable housing developments throughout the region. Several projects have asked for and received assistance from the CVRD Housing Trust Fund, CHA was able to create an application process, establish criteria, review and recommend to the CVRD allocations from that fund for Project Development Assistance and for Rental Housing Capital Contributions and disperse those to the successful proponents. We look forward to seeing those projects come out of the ground and provide much needed affordable housing for residents of the Cowichan region.

2020 of course brought with it an unexpected pandemic, and much of March, April, May and June was spent responding to the housing needs of the most vulnerable in our community. CHA took on the role of co-chair of the Covid 19 Vulnerable Populations Cowichan Task Force, and worked closely with our partners on the Task Force to develop a plan. That plan ( The Covid 19 Vulnerable Populations Cowichan Task Force Emergency Response Plan) was resourced by both BC Housing and the Victoria Foundation (including the Jawl Foundation and the Times Colonist) and provided “sheltering in place” options for homeless and at risk residents of the region. Within a short period of time the Task Force created and operationalised 5 tenting sites for homeless individuals and women seeking refuge from intimate partner violence. In addition we were able to lease all the rooms in a local hotel for use by vulnerable residents and by the end of May had created a total of 92 temporary dwelling units housing approximately 80 people. We want to thank our partners on the Task Force, the funders and our Cowichan community for their generous support during this time.



*"2020 promises to be an exciting year, with several affordable housing projects on the go or in the development stage. I look forward to the next 12 months, and to assisting with the creation of more affordable housing for the region." - JH*

## **BOARD OF DIRECTORS:**



Gail Calderwood,  
Co-Chair



Joy Hayden, Co-Chair



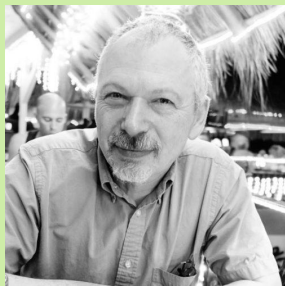
Patricia Gray, Treasurer



Monica Finn, Secretary



Chris Hall, Director



Guido Weisz, Director

## **STAFF:**



John Horn, Executive Director



Morgan Saddington,  
Administrative Coordinator



Wendy Montgomery,  
Contractor, Housing Loss  
Prevention

**Thank you to our past Board Members:  
Craig Marchinko, James L. Cosh, Morgan McLeod, Georgina Jackson,  
Debbie Williams, Brigid Reynolds, Tina Schoen and Gerry Giles**

## WHO WE ARE:

At the Cowichan Housing Association (CHA), we believe that stable, secure, accessible and affordable housing is foundational to healthy individuals, families and communities.

We work to increase affordable housing options and to prevent homelessness in the Cowichan Region through research, community development, homelessness prevention programming and facilitating affordable housing development.

CHA incorporated in January 2015. We have accomplished a great deal in a very short time and have grown into a highly knowledgeable and professional organization.

## What is the CHA Annual Financial Contribution Service?

In April 2018, Bylaw 4201 was adopted by the Cowichan Valley Regional District (CVRD) to provide an Annual Financial Contribution Service (\$750,000) to Cowichan Housing Association to assist with providing programs and services related to affordable housing and homelessness prevention in the Cowichan Valley Regional District. The two components of the service are:

The goal of **The Regional Housing Service** is to increase capacity by providing expertise, knowledge and support for local communities to develop affordable housing projects. The Housing Service funding is as follows:



- Planning, research, housing development coordination and housing loss prevention - \$138,000
- Service management and administration - \$112,000

**The Housing Trust Fund** provides funding support to local organizations for affordable housing projects, from the concept stage to construction or renovation. A key aim of the program is to leverage resources from other funders. The exception is the CHA Emergency Contingency Fund, the purpose of which is to provide the ability to respond to an emergency situation such as loss of housing due to fire, flood, or extreme weather. The Housing Trust Fund programs are as follows:



- CHA Project Development Fund (PDF) - \$65,000
- CHA Rental Housing Capital Contribution Fund (RHCCF)- \$425,000
- CHA Emergency Contingency Fund (ECF) - \$10,000



## 2019/2020 HIGHLIGHTS:

### Our affordable housing initiatives have included:



- Completion of the Cowichan Attainable Housing Strategy
- Establishing the CVRD Regional Housing Service
- Collaborations with the Cowichan Housing and Homelessness Coalition, Community Advisory Committee, Trust Fund Allocations Committee, Covid-19 Task Force for Vulnerable Populations Cowichan
- Development of the Housing Research and Information Hub
- Achieved Designated Community Status under the Federal Government's Reaching Home funding stream

### Rental Housing Capital Contribution Fund (RHCCF):

The purpose of the Rental Housing Capital Contribution Fund is 1) to support development of new affordable rental housing stock, shelters and second stage housing by making a contribution to capital costs and 2) to enhance community contributions and partnerships in order to leverage additional funding resources. With a goal of addressing the shortfall in affordable rental housing stock within the Cowichan Region.



**In our first year, CHA awarded the Ladysmith Resource Centre (LRCA) with a grant of \$317,000 towards their affordable housing project on Buller Street.**

The **Ladysmith Resource Centre Association (LRCA)** plans to create an affordable housing apartment complex on the former St. John the Evangelist Anglican church site. The four-storey building will integrate families, seniors and persons with developmental disabilities all under one roof. 36 apartments will be divided among 4 studio units, 27 single bedroom units and 5 two bedroom units. The rectangular-shaped building will stretch west along Buller with the top three levels averaging over 7,300 sq-ft.

The LRCA is also seeking funding through CMHC's National Housing Co-Investment Fund along with other contributions to the project from BC Housing (\$3.6M), Ladysmith Resources Centre Association (\$370,000 inclusive of land value) and the Town of Ladysmith (\$258,989 in the form of waived Development Cost Charges).



# 2019/2020 HIGHLIGHTS:

## Project Development Fund:

The purpose of the Project Development Fund (PDF) is to address pre-construction 'soft-costs' for proposals that aim to create new affordable housing by way of construction, acquisition and / or conversions. With a goal of supporting non-profit organizations develop affordable housing proposals for projects that are in the pre-construction phase.

To date, CHA has provided advise and support to 20 groups, individuals and organizations for affordable housing project ideas across the Cowichan Region.



**In early 2020, CHA awarded two successful PDF applicants with \$25,000 each to further develop their proposed projects in Lake Cowichan and the Duncan area.**

## Collaborations:



CHA believes community collaborations play a big part in addressing the affordable housing needs in our region. This year's partnerships included Vancity Impact Real Estate Team, Community Action Team (CAT), Our Cowichan Health Network, Hiiye'ye Lelum - House of Friendship, Cowichan Highway Corridor Business Council, and the many Cowichan Valley Service Providers who assisted with the 2020 Point-in-Time Homeless Count.

## Facilitating increased funding for Regional housing activities:

CHA assisted in leveraging the following funds to facilitate affordable housing and homelessness initiatives;



- \$4.2 million for LRCA's affordable housing apartment complex
- \$240,000 per year for 5 years for Designated Community Status
- \$392,000 to support the Covid-19 Vulnerable Populations Cowichan Response Plan

## A New Look:

The 2019-2020 year saw a re-branding of both the Cowichan Housing Association logo and website. Collaborating with a local company, we developed an updated look and tagline to reflect CHA's new direction.



CHA website users in the 2019-2020 year.



[www.cowichanhousing.com](http://www.cowichanhousing.com)

# 2019/2020 PROGRAMS

## Housing Loss Prevention:

CHA works to prevent housing loss and homelessness through education and training to assist tenants and landlords by providing tenancy information, referral to resources and shelter, and through emergency housing assistance to families at imminent risk of losing their home.

## Tenant and Landlord Education:

The Ready to Rent model is grounded in a housing stability and homelessness prevention framework. RentSmart - Ready to Rent's housing stability model has three main goals: 1) assist people to find and /or maintain good housing, 2) reduce conflict, damages and evictions, 3) increase housing stability.

**42** Individuals completed RentSmart / Ready to Rent training courses and workshops to help them maintain housing, for a total of 437 since 2015.

**50** Individuals attended a successful Landlord Information Session hosted by Russ Godfrey, legal advocate with over 30 years experience in residential tenancy law and housing policy.

## Information and Referral:

**113** Individuals and families were supported with tenancy information and referrals to resources and shelter, for a total of 412 since 2015. **21% increase from our previous year.**

## Emergency Assistance:

**56** Individuals and families, many of whom have children, were assisted through emergency financial assistance, for a total of 144 since 2015. **49% increase from our previous year.**

**Liaison and coordination with over 50 service providers helped to better coordinate information and services.**

*"The financial assistance was so helpful, we are now back on track. Thank you."*

.....

*"I so appreciate the help. I was scammed on a rental, I have learned my lesson, and I really want to thank you from the bottom of my heart."*

.....

*"The assistance I received was so helpful. My boys were laid off and we really needed the help. I don't know what we would have done without the help, there is no where affordable to rent."*



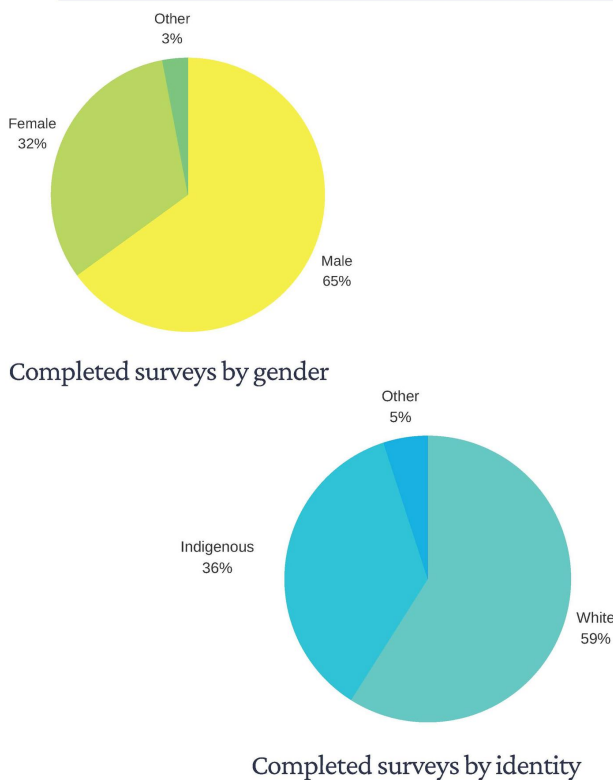
# 2019/2020 PROGRAMS:

## 2020 Homeless Count: Cowichan Valley:

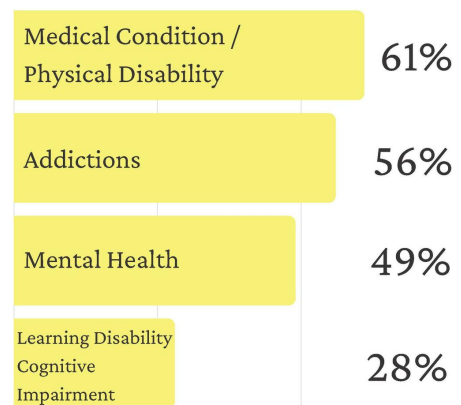
Cowichan Housing Association took the lead this March in organizing the Provincial Homelessness Count for the Cowichan Region. Night surveys were conducted at the local shelters. The following day, a magnet event for participants provided food, services and a chance for their voices to be heard, by completing a street survey. During the event **139 individuals were counted**, and **119 surveys were completed**.

### Cowichan Region 2020 Point-In-Time Homelessness Count

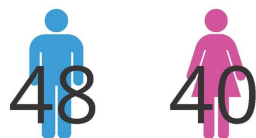
March 11 & 12, 2020 - 119 Completed Surveys



Individuals experiencing homelessness face many **health related challenges**. From the completed surveys, participants identified as having **1 or more** of the following challenges:

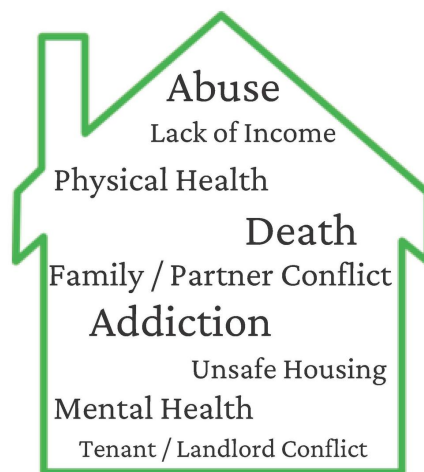


Average age of individuals experiencing homelessness



**3** years is the average for an individual to be **without a home**

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Identified reasons for homelessness

## 2020/2021 WORKPLAN:

For the upcoming 2020 / 2021 year, CHA will continue to develop the Regional Housing Service and initiatives to support affordable housing in the Cowichan Region.

### CHA Services:

- Establish the Housing Research and Information Hub online database
- Prevent homelessness; emergency assistance program, Covid-19 Vulnerable Populations Cowichan Response Plan
- Continued community collaborations, information sessions and forums to address housing and homelessness

### Housing Trust Fund:

- Provide housing project development assistance
- Build community capacity to implement / operate affordable housing
- Develop criteria for CHA Emergency Contingency Fund
- Communication to ensure continued community-wide awareness of the Capital Contribution and Project Development Funds

### Management and Administration:

- Develop a comprehensive communications plan for all media platforms
- Update and/or develop new policy, procedures and best practices guidelines
- Increase CHA's internal capacity
- Short and long term resource development
- Continued strategic planning and assessment of governance structure
- Provide transparent and effective use of community dollars



## 2019/2020 FINANCIALS:

In 2019, the Cowichan Valley Regional District (CVRD) entered into an agreement with Cowichan Housing Association (CHA) to develop and implement the Regional Housing Trust Fund. The purpose of the fund is to increase local funds for affordable housing, to leverage funds from other sources and to incentivise the development of affordable and attainable housing options in the Cowichan Region. As well as, to provide the expertise, knowledge and support to local communities to develop affordable housing projects.

CHA also seeks grant funding to support homelessness prevention programming and special initiatives. In 2019-2020, we received \$56,541 from the Reaching Home - Homelessness Partnering Strategy to support our programs as well as \$9969 to conduct the 2020 Homelessness Count in collaboration with HSABC (Homelessness Services Association of BC).

Year	Funding Source	Amount
2015-2016	Homelessness Partnering Strategy	30,338
	Real Estate Foundation (Housing Trust Fund Business Case)	10,000
2016-2017	Homelessness Partnering Strategy	35,011
2017-2018	Homelessness Partnering Strategy	67,260
	Homelessness Partnering Strategy (Close to Home Project)	156,460
2018-2019	Homelessness Partnering Strategy	\$77,000
	CVRD (Attainable Housing Strategy)	\$10,000
	Vancity (Attainable Housing Strategy)	\$10,000
2019-2020	CVRD Regional Housing Service	\$250,000
	Homelessness Partnering Strategy	\$56,541
	HSABC	\$9969

**The Annual Financial Statements for Cowichan Housing Association for the 2019-2020 fiscal year are attached as Appendix A.**

**This year, CHA's budget for all our activities and initiatives was \$316,510, over 4 spending categories. The following outlines activities within each of those categories and provides a percentage of total budget devoted to each.**



# 2019/2020 FINANCIALS:

## Operation:

CVRD funding of \$112,000 for affordable housing support, administration and overhead. **35%**

## Services:

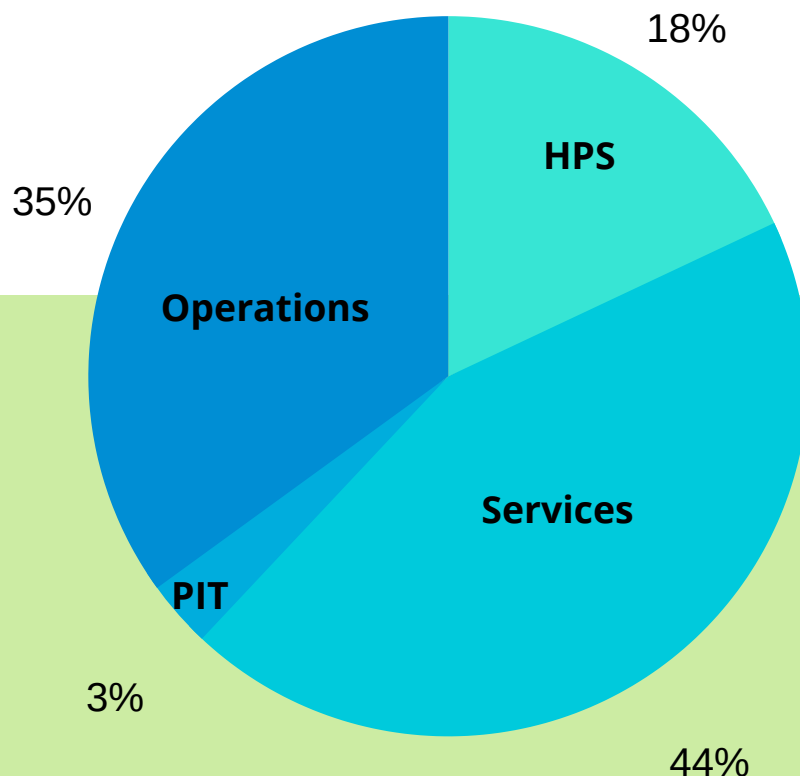
CVRD funding of \$138,000 for Regional Housing Service / Trust Fund development, affordable housing research, data collection, community education and collaboration. **44%**

## Homelessness Prevention Services:

HPS funding \$56,541 for Ready to Rent courses and workshops, housing and tenancy information and referrals, emergency assistance, service provider liaison, facilitation of the Cowichan Coalition. **18%**

## Homelessness Count - Point in Time:

HSABC / United Way funding of \$9969 for organization and facilitation of the point in time homelessness count, administration, expenses, overhead. **3%**



# 2019/2020 FINANCIALS:

## Appendix A:

### COWICHAN HOUSING ASSOCIATION

#### Financial Statements

Year Ended March 31, 2020

*(Unaudited - See Notice To Reader)*

***Palmer Leslie***  
Chartered Professional Accountants

**COWICHAN HOUSING ASSOCIATION**

**Index to Financial Statements**

**Year Ended March 31, 2020**

*(Unaudited - See Notice To Reader)*

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Statement of Revenues and Expenditures and Changes in Net Assets	3 - 4
Notes to Financial Statements	5 - 8



Alex E. Palmer, C.P.A., C.A.\*  
Tammy Leslie, C.P.A., C.G.A., C.A.\*  
Tavish Annis, C.P.A., C.G.A.\*

\*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, 2020 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.

Duncan, British Columbia  
June 26, 2020

CHARTERED PROFESSIONAL  
ACCOUNTANTS

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**COWICHAN HOUSING ASSOCIATION**

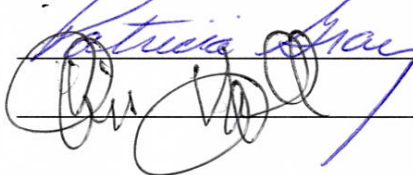
**Statement of Financial Position**

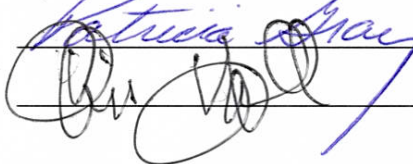
**March 31, 2020**

*(Unaudited - See Notice To Reader)*

	Total 2020	Total 2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 331,698	\$ 21,851
Term deposits	35,086	-
Accounts receivable (Note 5)	18,920	7,763
Prepaid expenses (Note 6)	-	1,500
	<u>385,704</u>	<u>31,114</u>
<b>TANGIBLE CAPITAL ASSETS (Note 7)</b>	<u>2,220</u>	<u>2,972</u>
	<u>\$ 387,924</u>	<u>\$ 34,086</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 2,662	\$ 2,345
Wages payable	407	2,779
Employee deductions payable	2,617	2,171
Deferred revenue (Note 8)	379,384	26,750
	<u>385,070</u>	<u>34,045</u>
<b>NET ASSETS</b>	<u>2,854</u>	<u>41</u>
	<u>\$ 387,924</u>	<u>\$ 34,086</u>

**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, 2020**  
*(Unaudited - See Notice To Reader)*

	Regional Housing Service Operations 2020	Regional Housing Service 2020	Housing Loss Prevention 2020	PIT 2020	Attainable Housing Strategy 2020	Total 2020	Total 2019
<b>REVENUES</b>							
Grant Income	\$ 78,194	\$ 69,362	\$ 54,945	\$ 9,969	\$ 1,110	\$ 213,580	\$ 243,555
Interest	842	-	-	-	-	842	572
Other income	2,527	-	657	-	-	3,184	1,417
	81,563	69,362	55,602	9,969	1,110	217,606	245,544
	4,513	-	-	-	-	4,513	1,253
	1,016	1,646	328	-	-	2,990	1,009
	753	-	-	-	-	753	1,026
	906	-	-	-	-	906	440
	1,251	-	250	-	-	1,501	1,501
	102	-	-	-	1	103	72
	48	258	150	-	-	456	1,493
	2,958	4,436	-	-	-	7,394	1,560
	-	759	2,048	830	-	3,637	5,238
	19	764	60	10	36	889	2,534
	-	-	150	-	50	200	3,722
	-	-	20,556	-	-	20,556	12,392
	2,286	-	-	-	-	2,286	700
	-	553	-	-	476	1,029	2,549
	-	1,129	584	-	256	1,969	3,742
	3,501	5,424	2,700	-	-	11,625	9,000
	63,562	29,282	21,551	2,300	291	116,986	111,072
	-	24,121	8,100	2,500	-	34,721	83,327
	689	334	600	-	-	1,623	904
	-	656	-	-	-	656	1,969

(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, 2020**

*(Unaudited - See Notice To Reader)*

	Regional Housing Service Admin/ Operations 2020	Regional Housing Service 2020	Housing Loss Prevention 2020	PIT 2020	Attainable Housing Strategy 2020	Total 2020	Total 2019
	81,604	69,362	57,077	5,640	1,110	214,793	245,503
<b>NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(41)	-	(1,475)	4,329	-	2,813	41
NET ASSETS - BEGINNING OF YEAR	41	-	-	-	-	41	-
<b>NET ASSETS - END OF YEAR</b>	\$ -	\$ -	\$ (1,475)	\$ 4,329	\$ -	\$ 2,854	\$ 41

The accompanying notes form an integral part of these financial statements

# COWICHAN HOUSING ASSOCIATION

## Notes to Financial Statements

Year Ended March 31, 2020

Unaudited - See "NOTICE TO READER" dated June 26, 2020.

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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.

(continues)

**Palmer Leslie**  
Chartered Professional Accountants

## COWICHAN HOUSING ASSOCIATION

### Notes to Financial Statements

Year Ended March 31, 2020

Unaudited - See "NOTICE TO READER" dated June 26, 2020.

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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, 2020.

##### 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, 2020

Unaudited - See "NOTICE TO READER" dated June 26, 2020.

#### 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>2020</u>	<u>2019</u>
Term deposit @1.75% to mature November 21, 2015	\$ -	\$ 50,625
Term deposit @ 1% to mature April 15, 2020	<b>35,086</b>	-

#### 5. ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
GST recoverable	\$ 410	\$ 796
Service Canada	<b>18,510</b>	6,967
	<b>\$ 18,920</b>	<b>\$ 7,763</b>

#### 6. PREPAID EXPENSES

	<u>2020</u>	<u>2019</u>
Rent deposit	\$ -	\$ 1,500

#### 7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	<b>2020 Net book value</b>	2019 Net book value
Computer equipment	\$ 3,689	\$ 2,582	<b>\$ 1,107</b>	\$ 1,581
Furniture and fixtures	2,007	894	<b>1,113</b>	1,391
	<b>\$ 5,696</b>	<b>\$ 3,476</b>	<b>\$ 2,220</b>	<b>\$ 2,972</b>

The Association recorded amortization of \$753 in the current year (2018 - \$1,026).

**Palmer Leslie**  
Chartered Professional Accountants



## COWICHAN HOUSING ASSOCIATION

### Notes to Financial Statements

Year Ended March 31, 2020

Unaudited - See "NOTICE TO READER" dated June 26, 2020.

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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>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 26,750	\$ 149,972
CVRD Grant revenue received 2018/2019	-	100,623
CVRD Grant revenue received 2019/2020	250,000	-
CVRD Grant revenue received 2020/2021	250,000	-
Amount recognized as revenue in the year	<u>(147,366)</u>	<u>(223,845)</u>
Balance, end of year	<u>\$ 379,384</u>	<u>\$ 26,750</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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**Palmer Leslie**  
Chartered Professional Accountants



June 2020