

COWICHAN HOUSING ASSOCIATION

Financial Statements

Year Ended March 31, 2020

(Unaudited - See Notice To Reader)

COWICHAN HOUSING ASSOCIATION

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Year Ended March 31, 2020

(Unaudited - See Notice To Reader)

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*A Professional Corporation

NOTICE TO READER

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

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COWICHAN HOUSING ASSOCIATION

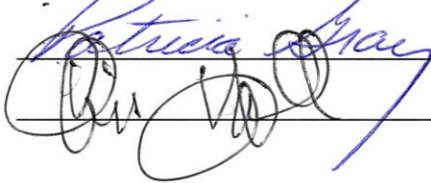
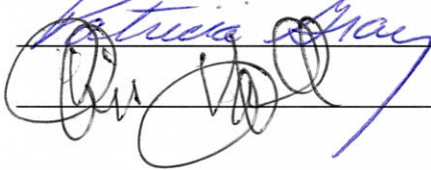
Statement of Financial Position

March 31, 2020

(Unaudited - See Notice To Reader)

	Total 2020	Total 2019
ASSETS		
CURRENT		
Cash	\$ 331,698	\$ 21,851
Term deposits	35,086	-
Accounts receivable <i>(Note 5)</i>	18,920	7,763
Prepaid expenses <i>(Note 6)</i>	-	1,500
	<u>385,704</u>	<u>31,114</u>
TANGIBLE CAPITAL ASSETS <i>(Note 7)</i>	<u>2,220</u>	<u>2,972</u>
	<u>\$ 387,924</u>	<u>\$ 34,086</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 2,662	\$ 2,345
Wages payable	407	2,779
Employee deductions payable	2,617	2,171
Deferred revenue <i>(Note 8)</i>	379,384	26,750
	<u>385,070</u>	<u>34,045</u>
NET ASSETS	<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 Admin/ Operations 2020	Regional Housing Service 2020	Housing Loss Prevention 2020	PIT 2020	Attainable Housing Strategy 2020	Total 2020	Total 2019
REVENUES							
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
	<u>81,563</u>	<u>69,362</u>	<u>55,602</u>	<u>9,969</u>	<u>1,110</u>	<u>217,606</u>	<u>245,544</u>
EXPENSES							
Accounting and bookkeeping	4,513	-	-	-	-	4,513	1,253
Advertising and promotion	1,016	1,646	328	-	-	2,990	1,009
Amortization	753	-	-	-	-	753	1,026
Business taxes, licenses and memberships	906	-	-	-	-	906	440
Insurance	1,251	-	250	-	-	1,501	1,501
Interest and bank charges	102	-	-	-	1	103	72
Meals	48	258	150	-	-	456	1,493
Office supplies and administration	2,958	4,436	-	-	-	7,394	1,560
Program supplies and fees	-	759	2,048	830	-	3,637	5,238
Non-recoverable goods and services tax	19	764	60	10	36	889	2,534
Honorariums	-	-	150	-	50	200	3,722
Rental assistance	-	-	20,556	-	-	20,556	12,392
Professional development	2,286	-	-	-	-	2,286	700
Meeting expenses	-	553	-	-	476	1,029	2,549
Printing	-	1,129	-	-	256	1,969	3,742
Rent	3,501	5,424	584	-	-	11,625	9,000
Salaries and benefits	63,562	29,282	21,551	2,300	291	116,986	111,072
Subcontractors	-	24,121	8,100	2,500	-	34,721	83,327
Telephone	689	334	600	-	-	1,623	904
Travel	-	656	-	-	-	656	1,969

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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
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(41)	-	(1,475)	4,329	-	2,813	41
NET ASSETS - BEGINNING OF YEAR	41	-	-	-	-	41	-
NET ASSETS - END OF YEAR	\$ -	\$ -	\$ (1,475)	\$ 4,329	\$ -	\$ 2,854	\$ 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, 2020

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

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.

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, 2020

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

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.

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.

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	35,086	-

5. ACCOUNTS RECEIVABLE

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

6. PREPAID EXPENSES

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

7. TANGIBLE CAPITAL ASSETS

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

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

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Notes to Financial Statements

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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>

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.

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.
