Financial Statements of

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Year ended March 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Members of the Elizabeth Fry Society of Greater Vancouver

Report on the Financial Statements

Opinion

We have audited the financial statements of The Elizabeth Fry Society of Greater Vancouver (the Society), which comprise:

- The statement of financial position as at March 31, 2019
- The statement of operations for the year then ended
- the statement of changes net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Society as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Society in accordance with the 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 Canadian accounting standards for not-for-profit organizations, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditors' 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 auditors' 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 the 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Society 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.
- 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied by The Elizabeth Fry Society of Greater Vancouver in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
June 27, 2019

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	$ 1,545,260	$ 1,547,645
Restricted cash (note 4)	105,121	105,110
Accounts receivable (note 12)	909,705	1,565,618
Prepaid expenses and deposit	26,683	30,035
Prepaid rent (note 7(b))	12,429	12,429
	2,599,198	3,260,837
Restricted cash and term deposit (note 4)	1,269,509	779,796
Investments (note 5)	189,483	183,260
Other assets (note 6)	226,752	226,752
Prepaid rent (note 7(b))	336,630	349,059
Capital assets (note 7)	6,371,457	6,480,481
	$ 10,993,029	$ 11,280,185
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	$ 818,613	$ 1,714,350
Current portion of long-term debt (note 11)	107,624	105,356
Deferred contributions (note 9)	706,712	848,760
	1,632,949	2,668,466
Replacement reserve (note 4)	33,939	32,296
Deferred contributions (note 9)	1,563,559	1,098,543
Lease inducement	60,000	-
Deferred capital contributions (note 10)	1,317,385	1,189,053
Long-term debt (note 11)	3,494,222	3,605,731
Deficiency in equity-accounted organization (note 12)	13,575	13,865
	8,115,629	8,607,954
Net assets:		
Unrestricted	371,528	198,968
Invested in capital assets (note 13)	2,080,241	2,047,622
Internally restricted (note 14)	425,641	425,641
	2,877,400	2,672,231
Commitments and contingencies (note 18)		
Economic dependence (note 19)		
	$ 10,993,029	$ 11,280,185

See accompanying notes to financial statements.

Approved on behalf of the Board:

_______________________ Director _______________________ Director

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Operations

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Revenue (schedule):		
Provincial government contracted programs	$ 7,876,811	$ 7,208,012
Federal government contracted programs	3,445,867	4,034,996
Other income	324,575	290,299
Sales and rental income	25,914	80,578
Grants	225,999	210,525
Donations and membership fees	146,672	127,059
United Way	65,912	57,853
Investment income	46,524	49,432
Donated volunteer services (note 15)	277,695	323,865
	12,435,969	12,382,619
Expenses (schedule):		
Women at risk (note 22)	5,478,478	5,584,128
Families at risk	1,892,338	1,665,650
Youth at risk	883,868	742,826
Community justice	3,544,753	3,116,278
Management and policy	94,054	368,047
	11,893,491	11,476,929
Excess of revenue over expenses before the undernoted	542,478	905,690
Interest on long-term debt	(144,290)	(146,696)
Amortization of deferred capital contributions (note 10)	97,169	122,670
Amortization of capital assets	(290,188)	(308,665)
Bad debt expense	-	(35,277)
Income on equity-accounted organization (note 12)	290	1,293
Excess of revenue over expenses	$ 205,169	$ 539,015

See accompanying notes to financial statements.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Changes in Net Assets

Year ended March 31, 2019, with comparative information for 2018

March 31, 2019	Unrestricted	Invested in capital assets (note 13)	Internally restricted (note 14)	Total
Balance, beginning of year	$ 198,968	$ 2,047,622	$ 425,641	$ 2,672,231
Excess (deficiency) of revenue over expenses	398,188	(193,019)	-	205,169
Net change in invested in capital assets	(225,638)	225,638	-	-
Balance, end of year	$ 371,518	$ 2,080,241	$ 425,641	$ 2,877,400

March 31, 2018	Unrestricted	Invested in capital assets (note 13)	Internally restricted (note 14)	Total
Balance, beginning of year	$ (73,465)	$ 2,058,540	$ 148,141	$ 2,133,216
Excess (deficiency) of revenue over expenses	725,010	(185,995)	-	539,015
Net change in invested in capital assets	(175,077)	175,077	-	-
Transfer of funds (note 14)	(277,500)	-	277,500	-
Balance, end of year	$ 198,968	$ 2,047,622	$ 425,641	$ 2,672,231

See accompanying notes to financial statements.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	$ 205,169	$ 539,015
Items not affecting cash:		
Fair value adjustment on investments	(26,174)	(1,452)
Amortization of deferred capital contributions	(97,169)	(122,670)
Amortization of capital assets	290,188	308,665
Amortization of prepaid rent	12,429	12,429
	384,443	735,987
Changes in non-cash operating working capital:		
Accounts receivable	655,913	(492,660)
Prepaid expenses and deposit	3,352	(15,241)
Accounts payable and accrued liabilities	(895,737)	811,659
Lease inducement	60,000	-
Replacement reserve	1,643	1,431
Deferred contributions	322,968	1,163,299
	532,582	2,204,475
Investments:		
Decrease in restricted cash and term deposit	(489,724)	(748,942)
Reinvested investment income	19,951	(22,729)
Purchase of capital assets	(181,164)	(87,405)
Decrease in investment in equity-accounted organization	(290)	(1,293)
	(651,227)	(860,369)
Financing:		
Decrease in long-term debt, net of repayments	(109,241)	(101,500)
Deferred capital contributions received (note 10)	225,501	-
	116,260	(101,500)
Increase (decrease) in cash	(2,385)	1,242,606
Cash, beginning of year	1,547,645	305,039
Cash, end of year	$ 1,545,260	$ 1,547,645

See accompanying notes to financial statements.

1. Operations:

The Elizabeth Fry Society of Greater Vancouver (the "Society") is incorporated under the Societies Act (British Columbia) and carries out its work in the Lower Mainland. The Society is a registered charitable organization for income tax purposes and is exempt from the requirement to pay income taxes.

The mission of the Society is to improve the circumstances of women, children and youth at risk involved in the criminal justice and social service systems. The Society develops strategic direction and provides leadership to promote humane criminal and social justice. Through a range of programs, services and public education, the Society works to improve population health factors which place women, children and youth at risk of involvement in the criminal justice system.

The goal of the Society is to reduce the number of women, children and youth involved in the criminal justice system.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook. The Society's significant accounting policies are as follows:

(a) Revenue recognition:

The Society follows the deferral method of accounting for contributions.

Government contract revenues are recognized as revenue in the period in which the service is provided.

Donations and grants are recorded as revenue when received or receivable except when the donor has specified that they are intended for a specific purpose or use in a future period, in which case they are initially deferred and recognized as revenue when the expenses are incurred or the restrictions are met. Unrestricted pledged funds are recorded as revenue as they are received.

Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions received specifically for the acquisition of capital assets are recorded as deferred capital contributions and are amortized to revenue on the same basis as the related capital assets are amortized, except where they relate to land, in which case they are recorded as direct increases in net assets.

Donated program services are measured at the fair value of the services at the date of contribution and are recognized as both revenue and expenses in the financial statements. Due to the difficulty of determining the fair value of governance and non-program related donated services, such donated services are not recognized in the financial statements.

2. Significant accounting policies (continued):

(b) Investment in subsidiary:

The Society accounts for its 100% owned subsidiary, Asphalt Gals Recycling Ltd. (“AGRL”), a for-profit entity, using the equity method of accounting.

(c) Prepaid rent:

Prepaid rent represents financed rent payments and is amortized over the term of the lease.

(d) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful life as follows:

Asset	Rate
Buildings	25 years
Building under capital lease	40 years
Building improvements	15 years
Furniture and equipment	5 years
Leasehold improvements	25 years
Vehicles	3 years

The carrying amount of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset’s carrying amount is not recoverable and exceeds its fair value.

(e) Lease inducement:

Deferred lease inducement consist of incentive funds received from landlords. These inducements are amortized over the term of the lease, as a reduction of rent expense.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has elected to carry its investments at fair value with changes in fair values recognized in the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at amortized cost are added to the initial amount recorded and subsequently amortized using the effective interest rate method.

2. Significant accounting policies (continued):

(f) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount of the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the valuation of accounts receivable, determination of useful lives for purpose of amortization of capital assets and deferred capital contributions, and provisions for contingencies. Actual results may ultimately differ from these estimates.

3. Line of credit:

The Society has available an operating line of credit with Vancity of $300,000 (2018 - $300,000), drawings on which bear interest at the bank’s prime rate plus 0.50% per annum. The 402 East Columbia Street building is provided as security. No amount was drawn on this facility at March 31, 2019 (2018 - nil).

4. Restricted cash and term deposit:

Restricted cash and term deposit are held for specific purposes and may be spent only in accordance with the requirements of the designated agency. Restricted amounts are comprised of the following:

	2019	2018
BC Gaming Policy and Enforcement Branch grant (note 9) (a)	$ 105,121	$ 105,110
Capital building donation funds (notes 9 and 22) (b)	1,235,570	747,500
CMHC replacement reserve (c)	33,939	32,296
	1,374,630	884,906
Less current portion	105,121	105,110
Long-term portion	$ 1,269,509	$ 779,796

(a) During the year, the Society received $100,000 (2018 - $100,000) from the BC Gaming Policy and Enforcement Branch (formerly, BC Gaming Commission) that will be spent on qualified specialized projects for the next fiscal year and hence has been classified as current.

(b) The capital building donation funds include a term deposit of $943,658 which matures on July 9, 2020 and bears interest at 2.85%. The funds held include accrued interest in addition to the original donated amounts.

(c) Under the mortgage agreement with the Canada Mortgage and Housing Corporation (the “CHMC”), the Society is required to set aside $1,000 annually as a replacement and maintenance reserve. During the year, no amount was spent from the reserve on equipment (2018 - nil). Interest income earned by and credited to the reserve totaled $643 (2018 - $431).

5. Investments:

The Society’s investments held at fair value consist of North Growth pooled equity funds. An unrealized gain of $26,174 (2018 - $1,452) in fair valuing the investments has been included in investment income.

6. Other assets:

In 2011, the Society was named a 10% beneficiary of an estate. The amount originally recorded in the financial statement at March 31, 2011 of $254,610 was the actuarial discounted value of the gross amount of the expected gift of $327,384. Since then, based on information received from the estate, the asset has been written down to reflect the Society’s 10% portion of the estate’s current value on a fully accreted basis of $226,752.

7. Capital assets:

March 31, 2019		Cost	Accumulated amortization	Net book value
Land	(a)	$ 3,816,264	$ -	$ 3,816,264
Buildings:				
Surrey Property - Ellendale	(a)	428,186	155,429	272,757
Surrey Property - Duplex		415,307	199,346	215,961
Abbotsford Property		994,193	342,843	651,350
Burnaby Property		62,519	42,949	19,570
New Westminster Property - 402 East Columbia		3,675,605	3,165,286	510,319
Building improvements		342,306	78,075	264,231
Building under capital lease	(b)	458,928	136,720	322,208
Leasehold improvements		230,486	68,958	161,528
Furniture and equipment		271,824	223,025	48,799
Vehicles		186,492	98,022	88,470
		$ 10,882,110	$ 4,510,653	$ 6,371,457

March 31, 2018		Cost	Accumulated amortization	Net book value
Land	(a)	$ 3,816,264	$ -	$ 3,816,264
Buildings:				
Surrey Property - Ellendale	(a)	428,186	126,332	301,854
Surrey Property - Duplex		415,307	182,734	232,573
Abbotsford Property		994,193	303,075	691,118
Burnaby Property		62,519	40,448	22,071
New Westminster Property - 402 East Columbia		3,675,605	3,018,263	657,342
Building improvements		290,573	63,470	227,103
Building under capital lease	(b)	458,928	125,247	333,681
Leasehold improvements		143,648	63,212	80,436
Furniture and equipment		259,114	218,714	40,400
Vehicles		156,609	78,970	77,639
		$ 10,700,946	$ 4,220,465	$ 6,480,481

7. Capital assets (continued):

(a) During fiscal 2013, the Society received contributions toward the purchase of the Sherbrooke and Ellendale properties.

Donation contributions of $450,000 towards the Sherbrooke property were recognized as direct increases in net assets invested in capital assets as the capitalized cost of the property was attributable to land. Of the total contributions, $100,000 represented a reduction in the fair value consideration paid by the Society to the vendor of the property.

Contributions of $679,347 by BC Housing in the form of forgivable loan towards the Ellendale property were allocated according to the fair values attributable to building and land on acquisition. $206,397 was attributable to building, and $472,950 was attributable to land and was recognized as a direct increase in net assets invested in capital assets.

(b) In fiscal year 2008, the Society entered into a 40-year prepaid lease agreement for land and building in Chilliwack. This lease agreement was financed by a mortgage for $456,100 and a forgivable loan for $500,000 (note 9). The land portion of this lease is an operating lease and the building portion is a capital lease. Prepaid rent represents rent payments paid in advance for the lease of this land and the current portion being the amortization of the prepayment in the next fiscal year.

8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $55,439 (2018 - $76,692), which include amounts payable for Municipal Pension Plan, WorkSafe BC, BC Medical Services Plan, and payroll related taxes.

9. Deferred contributions:

	2019	2018
B.C. Gaming Policy and Enforcement Branch grant (note 4)	$ 105,100	$ 105,110
Deferred program income	581,133	730,355
Other funds	1,996	796
B.C. Housing forgivable loan	351,042	363,542
Capital building fund (notes 4 and 22)	1,231,000	747,500
	2,270,271	1,947,303
Less current portion	706,712	848,760
Long-term portion	$ 1,563,559	$ 1,098,543

9. Deferred contributions (continued):

In fiscal 2008, the Society entered into a forgivable loan agreement for $500,000 relating to the lease of the Chilliwack land and building. This loan is forgivable starting on the 11th year at a rate of $20,000 per year through to the end of the 35-year term. Under this agreement, the Society must meet certain conditions for the duration of the 35-year term. Management has determined that it is unlikely that these conditions will not be met for the duration of the 35-year term and hence has recorded the entire loan amount as deferred contribution. As this loan is related to the Chilliwack lease, it is being amortized into revenue over the lease term of 40-years. As at March 31, 2019, $20,000 (2018 - nil) of the loans have been forgiven with $480,000 (2018 - $500,000) outstanding subject to repayment plus interest if the conditions are not met for the remaining term of the loan.

10. Deferred capital contributions:

Deferred capital contributions consist of funds received for the purpose of capital purchases. These amounts include costs for the purchase of the Surrey and Ellendale properties, the capital renovation of the 402 East Columbia building to provide transitional housing for women and children, leasehold improvement for Chilliwack building (note 7(b)), and capital grants for the renovation and building improvements of the Ellendale and Abbotsford properties.

	2019	2018
Balance, beginning of year	$ 1,189,053	$ 1,311,723
Amounts received during the year	225,501	-
Amounts amortized to revenue	(97,169)	(122,670)
Balance, end of year	$ 1,317,385	$ 1,189,053

During fiscal 2009, the Society entered into a forgivable loan agreement for $549,960 relating to the renovations of the 4th Floor, Liz Gurney House, 402 East Columbia building. This loan is forgivable over 10-years starting on the 5th year at a rate of $54,996 per year. Under this agreement, the Society must meet certain conditions for a 15-year period.

These conditions include provision of a minimum of 12 emergency shelter beds at this premise. If the conditions are not met, the Society would be liable to pay the $549,960 loan plus interest. The Society expects to meet this condition over the 15-year period and has therefore included the amount in deferred capital contributions and is being amortized over 25-years. As at March 31, 2019, $219,984 (2018 - $164,988) of the loans have been forgiven with $329,976 (2018 - $384,972) outstanding subject to repayment plus interest if the conditions are not met for the remaining term of the loan.

During fiscal 2013, the Society entered into a forgivable loan agreement for $679,347 relating to the purchase of 1187 Ellendale Drive, Surrey (the “Ellendale property”). This loan is forgivable over 30-years commencing in the 11th year. Under this Agreement, the Society must continue its development of a minimum of 10-housing units for women at risk of homelessness. If the condition is not met, the Society would be liable to pay the $679,347 loan plus interest at prime plus 2% per

10. Deferred capital contributions (continued):

annum. The Society expects to meet this condition and has therefore included $206,397, the amount allocated as contribution towards the purchase of the building in deferred capital contributions and is being amortized over 25-years, which approximates the useful life of the building. The remaining portion of the forgivable loan of $472,950, allocated as contribution towards the purchase of the land, was recognized as a direct increase in net assets (note 7(a)).

Included in deferred capital contributions is $175,018 of unspent funds relating to the Surrey capital housing project.

11. Long-term debt:

	2019	2018
Burnaby Property:		
7.88% mortgage with BC Housing, repayable in monthly installments of $322, including principal and interest, maturing on June 30, 2020	$ 4,831	$ 8,233
Surrey Property - Duplex:		
4.15% mortgage with Vancity, repayable in monthly installments of $1,294, including principal and interest, maturing on April 25, 2023	161,490	175,540
Chilliwack Property:		
4.78% mortgage with Great West Life, repayable in monthly installments of $2,226, including principal and interest, maturing April 1, 2027	374,472	383,222
Surrey Property - Ellendale:		
3.56% mortgage with MCAP, repayable in monthly installments of $3,369, including principal and interest, maturing on October 1, 2022	623,266	652,271
Abbotsford Property:		
3.84% mortgage with Peoples Trust, repayable in monthly installment of $8,672 including principal and interest, maturing on November 1, 2023	1,662,671	1,685,271
New Westminster Property - Sherbrooke :		
3.43% mortgage with Vancity, repayable in monthly installments of $2,051 including principal and interest, maturing April 25, 2038 (a)	322,119	339,267
New Westminster Property - 402 East Columbia:		
3.25% mortgage with Vancity, repayable in monthly installments of $2,430 including principal and interest, maturing on October 1, 2040	452,997	467,283
	3,601,846	3,711,087
Less current portion	107,624	105,356
Long-term portion	$ 3,494,222	$ 3,605,731

11. Long-term debt (continued):

Security for the mortgages payable is by way of a charge against certain land and buildings.

Principal payments on the mortgages required for the five fiscal periods subsequent to March 31, 2019, assuming renewal on similar terms and conditions at end of the initial term, are as follows:

2020	$ 107,624
2021	109,342
2022	112,976
2023	116,751
Thereafter	3,155,154
Total	$ 3,601,846

On April 25, 2019, subsequent to year-end, the Sherbrooke property Vancity mortgage was renewed at 3.90% interest rate with monthly installments of $3,241 including principal and interest. Renewal terms are applicable for three years.

12. Deficiency in equity-accounted organization:

In 2011, the Society incorporated a wholly owned subsidiary, Asphalt Gals Recycling Ltd. ("AGRL"). AGRL is a for-profit organization providing human services, and green services (reducing the environmental impact of other businesses). It provides work for women. It was founded to particularly support under employed, and criminalized women enabling them to advance their lives.

Financial information of AGRL is disclosed below:

	2019	2018
Assets	$ 9,700	$ 11,180
Liabilities	23,275	25,045
Shareholder's deficit	(13,575)	(13,865)
Results from operations:		
Revenue	$ 58,303	$ 39,013
Expenses	58,013	37,720
Net income	$ 290	$ 1,293
Cash from operating activities	$ 290	$ 2,890
Cash from financing activities	-	-
Cash from investing activities	-	-

As at March 31, 2019, $17,167 (2018 - $20,540) is included in accounts receivable from AGRL relating to expenses paid on behalf of and advances made to AGRL.

13. Net assets invested in capital assets:

(a) Net assets invested in capital assets are comprised of the following:

	2019	2018
Capital assets	$ 6,371,457	$ 6,480,481
Amounts financed by long-term debt	(3,148,849)	(3,243,806)
Amounts financed by deferred capital contributions	(1,142,367)	(1,189,053)
	$ 2,080,241	$ 2,047,622

(b) Change in net assets invested in capital assets is comprised of the following:

	2019	2018
Deficiency of revenue over expenses:		
Amortization of deferred capital contributions	$ 97,169	$ 122,670
Amortization of capital assets	(290,188)	(308,665)
	$ (193,019)	$ (185,995)
Net change in invested in capital assets:		
Purchase of capital assets	$ 181,164	$ 87,405
Amount funded by deferred capital contributions	(50,483)	-
Decrease of long-term debt	94,957	87,672
	$ 225,638	$ 175,077

14. Internally restricted net assets:

In fiscal 2009, the Board of Directors of the Society passed a motion to establish an internally restricted contingency fund to be used for any future unexpected or unbudgeted operating or capital expenditures of the Society's programs. During 2018, the Board approved a transfer of $277,500 from the unrestricted fund to increase the restricted contingency fund. No such transfers occurred in the current year.

15. Donated volunteer services:

Donated program related services are recognized as revenue at the fair value of volunteer services provided, determined based on similar services that would otherwise have been purchased. Details of volunteer services recognized during the year are as follows:

		2019		2018
Total number of registered volunteers	$	472	$	397
Total hours contributed to program services		15,105		17,824
Total value of donated program services		277,695		323,865

In addition, 520 hours (2018 - 420 hours) of governance and non-program donated services were provided; however, due to the difficulty of determining the fair value of these services, no amounts are recorded in the financial statements.

16. Vancouver Foundation endowment fund:

The Society has contributed to a permanent endowment fund with the Vancouver Foundation known as The Elizabeth Fry Society of Greater Vancouver Endowment Fund. The fund is owned and administered by the Vancouver Foundation and, accordingly, as the capital of the fund is not available for use by the Society, the fund balance is not included in the Society's statement of financial position. All income from the fund, which has been disbursed at least annually, is for the benefit of the Society. Interest paid to the Society during the year was $10,186 (2018 - $9,658). The Society has made total contributions of $98,650 in prior years which has been matched by contributions from the Vancouver Foundation of $75,000 for a total cost capital balance of $173,650 (2018 - $173,650) and fair value of $273,211 (2018 - $268,478) as at March 31, 2019.

17. Employee Pension Plan:

The Society and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including the investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. The Plan has approximately 197,000 active members and approximately 95,000 retired members. Active members include approximately 77 (2018 - 83) employees of the Society.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation for the Plan as at December 31, 2015, indicated a $2,224 million funding surplus for basic pension benefits on a going concern basis. The next required valuation will be as at December 31, 2018, with results available in 2019.

17. Employee Pension Plan (continued):

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Society paid $355,146 (2018 - $297,029) for employer contributions to the Plan in fiscal 2019.

18. Commitments and contingencies:

(a) Commitments:

The Society leases office space and equipment requiring annual payments as follows:

2020	$	299,629
2021		228,181
2022		127,523
2023		105,868
Total	$	1,145,925

(b) Contingencies:

The Society must meet certain conditions under certain forgivable loan agreements (notes 9 and 10).

19. Government funding and economic dependence:

The Society's ongoing operations depend on the renewal of annual funding agreements with various government agencies.

20. Employee, contractor and director remuneration:

For the fiscal year ended March 31, 2019, the Society paid total remuneration of $558,641 (2018 - $567,877) to five employees and contractors for services, each of whom received total annual remuneration of $75,000 or greater.

The Society did not pay remuneration to any members of its Board of Directors.

21. Financial risks and concentration of credit risk:

The risks to which the Society is exposed are credit risk, liquidity risk, and market risk.

(a) Credit risk:

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. The Society is not exposed to significant credit risk as the amounts receivable are primarily from government, and not subject to any significant concentration of credit risk. Assessment for uncollectible accounts are performed by management and provided for. There has been no change to the risk exposure from 2018.

(b) Liquidity risk:

Liquidity risk is the risk that an entity will not be able to meet its obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its long-term debt. The Society manages liquidity risk by maintaining adequate cash, highly liquid investments, and available credit facilities with its banking provider. There has been no change to the risk exposure from 2018.

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Society has investments in pooled funds which are subject to risks arising to changes in market conditions. There has been no change to the risk exposure from 2018.

22. Surrey capital housing project:

During the fiscal year ended March 31, 2019, the Society incurred $164,015 (2018 - $791,571) for planning and pre-development costs related to engineering and architectural design services. These costs are funded by BC Housing and Homelessness Partnering Strategy (“HPS”) up to total of $1,375,255. As at March 31, 2019, the Society has incurred a total of $1,083,332. These costs are being expensed until final project approval, at which point, subsequent capital development costs will be subject to capitalization.

For the year ending March 31, 2019, the Society received and recorded donations of $483,500 (2018 - $747,500) as restricted cash and deferred contributions to fund future capital development costs (notes 4 and 9).

23. Comparative information:

Certain comparative information has been reclassified to conform to this year’s current financial statement presentation.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Schedule of Revenue by Sources:

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Provincial government:		
B.C. Ministry of Children and Family Development	$ 1,102,560	$ 876,137
B.C. Ministry of Social Development	1,802,335	1,615,923
Fraser Health Authority	2,603,839	2,365,949
B.C. Corrections	133,857	362,715
B.C. Housing Management Commission	2,234,220	1,987,288
	7,876,811	7,208,012
Federal government	3,445,867	4,034,996
Grants	225,999	210,525
United Way	65,912	57,853
Donations	146,672	127,059
Sales and rental income	25,914	80,578
Investment income	46,524	49,432
Other income	324,575	290,299
Donated volunteer services (note 15)	277,694	323,865
	$ 12,435,969	$ 12,382,619

Schedule of Expenses by Object:

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Communications	$ 127,210	$ 90,944
Consultations, training, meetings and accreditation	81,497	128,788
Donated volunteer services (note 15)	277,695	323,865
Food	224,489	232,851
Furniture, appliances and equipment	269,291	226,923
Insurance and property taxes	128,119	125,706
Office	95,313	74,337
Professional services	625,496	1,085,418
Program supplies and client expenses	379,258	348,946
Promotion, recruiting, dues and publications	239,996	228,707
Rent	339,090	249,857
Repairs and maintenance	132,847	332,963
Salaries and employee benefits (note 20)	7,219,170	6,238,263
Third party contracted services	1,339,753	1,375,376
Travel and vehicle	231,024	209,409
Utilities, services and bank fees	183,243	204,576
	$ 11,893,491	$ 11,476,929