Financial Statements of

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

And Independent Auditor's Report thereon

Year ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Elizabeth Fry Society of Greater Vancouver

Report on the Audit of Financial Statements

Opinion

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

- the statement of financial position as at March 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedules 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 EFry as at March 31, 2024, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of EFry 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 EFry'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 EFry or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 EFry'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 EFry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause EFry 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 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
July 9, 2024

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	$ 5,817,132	$ 4,585,755
Restricted cash and term deposit (note 4)	871,689	1,900,175
Accounts receivable	1,660,652	2,506,250
Prepaid expenses and deposit	50,120	43,120
Prepaid rent (note 6(b))	12,429	12,429
	8,412,022	9,047,729
Restricted cash (note 4)	240,566	218,752
Investments at fair value (note 5)	340,026	294,384
Surplus in equity-accounted organization (note 11)	18,296	8,078
Prepaid rent (note 6(b))	274,485	286,914
Capital assets (note 6)	36,182,985	33,903,971
	$ 45,468,380	$ 43,759,828
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	$ 1,906,775	$ 5,058,520
Deferred contributions (note 8)	4,234,443	3,058,957
Current portion of long-term debt (note 10)	125,050	112,736
	6,266,268	8,230,213
Replacement reserve (note 4)	53,210	36,358
Deferred contributions (note 8)	366,842	379,342
Lease inducement	8,000	24,000
Deferred capital contributions (note 9)	30,600,188	28,163,038
Long-term debt (note 10)	3,312,999	2,511,916
	40,607,507	39,344,867
Net assets:		
Unrestricted	1,710,096	267,715
Invested in capital assets (note 12)	2,491,757	3,488,226
Internally restricted (note 13)	659,020	659,020
	4,860,873	4,414,961
Commitments and contingencies (note 19)		
Government funding and economic dependence (note 20)		
	$ 45,468,380	$ 43,759,828

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, 2024, with comparative information for 2023

	2024	2023
Revenue (schedule):		
Provincial government contracted programs	$ 16,107,068	$ 14,683,949
Federal government contracted programs	4,653,274	3,646,311
Other income	343,845	511,563
Sales and rental income	1,539,802	434,001
Grants	679,611	500,603
Donations and membership fees	158,556	124,171
Investment income	306,740	153,545
Donated volunteer services (note 14)	216,336	268,640
	24,005,232	20,322,783
Expenses (schedule):		
Women at risk	11,110,039	9,505,388
Families at risk	6,324,749	4,846,097
Youth at risk	1,000,426	1,068,934
Community justice	4,625,769	3,744,721
Management and policy	222,934	314,711
	23,283,917	19,479,851
Excess of revenue over expenses before the undernoted	721,315	842,932
Interest on long-term debt	(126,685)	(124,727)
Amortization of deferred capital contributions (note 9)	701,969	338,862
Amortization of capital assets	(860,905)	(631,046)
Income on equity-accounted organization (note 11)	10,218	10,822
Excess of revenue over expenses	$ 445,912	$ 436,843

See accompanying notes to financial statements.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Changes in Net Assets

Year ended March 31, 2024, with comparative information for 2023

March 31, 2024	Unrestricted	Invested in capital assets (note 12)	Internally restricted (note 13)	Total
Balance, beginning of year	$ 267,715	$ 3,488,226	$ 659,020	$ 4,414,961
Excess (deficiency) of revenue over expenses	604,847	(158,935)	-	445,912
Net change in invested in capital assets	837,534	(837,534)	-	-
Balance, end of year	$ 1,710,096	$ 2,491,757	$ 659,020	$ 4,860,873

March 31, 2023	Unrestricted	Invested in capital assets (note 12)	Internally restricted (note 13)	Total
Balance, beginning of year	$ 1,323,178	$ 1,995,920	$ 659,020	$ 3,978,118
Excess (deficiency) of revenue over expenses	729,027	(292,184)	-	436,843
Net change in invested in capital assets	(1,784,490)	1,784,490	-	-
Balance, end of year	$ 267,715	$ 3,488,226	$ 659,020	$ 4,414,961

See accompanying notes to financial statements.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Cash Flows

Year ended March 31, 2024 with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	$ 445,912	$ 436,843
Items not affecting cash:		
Fair value adjustment on investments (note 5)	(45,642)	(3,360)
Amortization of deferred capital contributions	(701,969)	(338,862)
Amortization of capital assets	860,905	631,046
Amortization of prepaid rent	12,429	12,429
	571,635	738,096
Changes in non-cash operating working capital:		
Accounts receivable	845,598	199,557
Prepaid expenses and deposit	(7,000)	-
Accounts payable and accrued liabilities	(3,151,745)	2,127,419
Replacement reserve	16,852	1,238
Lease inducement	(16,000)	(16,000)
Deferred contributions	1,162,986	(1,123,424)
	(577,674)	1,926,886
Investments:		
Decrease in restricted cash and term deposit	1,006,672	536,692
Purchase of capital assets	(3,139,919)	(28,555,400)
Increase in investment in equity-accounted organization	(10,218)	(10,822)
	(2,143,465)	(28,029,530)
Financing:		
Repayments on long-term debt	813,397	(589,126)
Deferred capital contributions received (note 9)	3,139,119	27,335,773
	3,952,516	26,746,647
Increase in cash	1,231,377	644,003
Cash, beginning of year	4,585,755	3,941,752
Cash, end of year	$ 5,817,132	$ 4,585,755

See accompanying notes to financial statements.

1. Operations:

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

EFry's charitable purpose is to support criminalized and marginalized women, girls and children in achieving their potential. The Society develops strategic direction and provides leadership regarding humane criminal and social justice. Through the provision of a range of programs and services within the community, prisons, housing and public education, EFry works to improve population health factors which place women and youth at risk of involvement of poor outcomes.

EFry seeks 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. EFry's significant accounting policies are as follows:

(a) Revenue recognition:

EFry 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 volunteer 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.

Rental income is recognized as revenue when the premises are occupied, which is typically at the beginning of each month.

2. Significant accounting policies (continued):

(b) Investment in subsidiary:

EFry accounts for its 100% owned subsidiary, A-GRL Business Corporation, 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
Buildings under capital leases	40 years
Building improvements	15 years
Furniture and equipment	5 years
Leasehold improvements	25 years
Vehicles	3 years

Leases, which transfer substantially all of the benefits and risks incidental to ownership of property, are accounted for as leased capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

Buildings under capital leases are amortized over the lesser of the lease term and its estimated useful life.

The carrying amount of capital assets is reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to EFry's ability to provide services, or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement of operations at the amount by which the carrying amount of the net asset exceeds its fair value or replacement cost.

(e) Lease inducement:

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

2. Significant accounting policies (continued):

(f) Financial instruments:

Financial instruments comprise cash, restricted cash and term deposits, receivables, investments, accounts payable and accrued liabilities, and debt. 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. EFry has elected to carry its investments at fair value with changes in fair values recognized in the statement of operations in interest and investment income.

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.

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, EFry 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 EFry 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) Measurement uncertainty:

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. Areas requiring the use of management estimates relate to the valuation of accounts receivable, determination of useful lives of capital assets for the purpose of amortization of capital assets and deferred capital contributions. Actual results may ultimately differ from these estimates.

3. Line of credit:

EFry has available an operating line of credit with VanCity of $300,000 (2023 - $300,000), drawings on which bear interest at the bank's prime rate plus 0.50% per annum. The 402 East Columbia Street building, with carrying value as disclosed in note 6, is provided as security. No amount was drawn on this facility at March 31, 2024 and 2023.

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:

		2024	2023
137th Street capital building funds (notes 8 and 17)		$ 503,412	$ 1,559,048
Burnaby development project (notes 8 and 18)		250,000	250,000
BC Gaming Policy and Enforcement Branch grant (note 8)	(a)	118,277	91,127
BC Housing rent supplement		102,578	97,690
Sherbrooke Street capital building funds (note 8)		84,704	84,704
CMHC replacement reserve	(b)	38,358	38,358
CMHC replacement reserve	(c)	14,926	-
		1,112,255	2,120,927
Less current portion		871,689	1,900,175
Long-term portion		$ 240,566	$ 220,752

(a) During the year, EFry received $114,000 (2023 - $86,850) from the BC Gaming Policy and Enforcement Branch that will be spent on qualified specialized projects for the next fiscal year and hence has been classified as current.

(b) Funds were required to be set aside under a mortgage agreement with the Canada Mortgage and Housing Corporation ("CMHC").

(c) Funds were required to be set aside under the contribution agreement with CMHC for the 137th first floor capital contribution (see note 17).

5. Investments at fair value:

EFry's investments held at fair value consist of North Growth pooled equity funds. An unrealized gain of $45,642 (2023 - $3,360) in fair valuing the investments has been included in investment income in the statement of operations.

6. Capital assets:

March 31, 2024		Cost	Accumulated amortization	Net book value
Land	(a)	$ 3,816,264	$ -	$ 3,816,264
Buildings:				
Surrey property - Ellendale	(a)	428,186	262,833	165,353
Surrey Property - Duplex		415,307	282,408	132,899
Abbotsford Property		994,193	541,681	452,512
Burnaby Property		62,519	55,452	7,067
New Westminster Property - 402 East Columbia		3,798,889	3,753,383	45,506
Burnaby Newcombe Building	(e)	16,880,329	211,004	16,669,325
Building improvements		414,609	328,038	86,571
Buildings under capital leases:				
Chilliwack	(b)	458,928	194,085	264,843
137th Street Building Apartments	(c)	11,480,429	450,067	11,030,362
137th Street First Floor	(d)	2,886,330	114,251	2,772,079
Leasehold improvements		272,639	97,687	174,952
Furniture and equipment		698,051	422,351	275,700
Vehicles		595,667	306,115	289,552
		$ 43,202,340	$ 7,019,355	$36,182,985

March 31, 2023		Cost	Accumulated amortization	Net book value
Land	(a)	$ 3,816,264	$ -	$ 3,816,264
Buildings:				
Surrey property - Ellendale	(a)	428,186	245,706	182,480
Surrey Property - Duplex		415,307	265,795	149,512
Abbotsford Property		994,193	501,914	492,279
Burnaby Property		62,519	52,951	9,568
New Westminster Property - 402 East Columbia		3,798,889	3,753,383	45,506
Building improvements		414,609	264,587	150,022
Buildings under capital leases:				
Chilliwack	(b)	458,928	182,612	276,316
137th Street Building Apartments	(c)	11,181,027	163,057	11,017,970
137th Street First Floor	(d)	2,886,330	42,092	2,844,238
Leasehold improvements		272,639	91,941	180,698
Furniture and equipment		607,553	340,617	266,936
Vehicles		411,680	253,795	157,885
		25,748,124	6,158,450	19,589,674
Construction in progress:				
Burnaby Newcombe Building	(e)	14,314,297	-	14,314,297
		$ 40,062,421	$ 6,158,450	$ 33,903,971

6. Capital assets (continued):

(a) During fiscal 2013, EFry 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 EFry to the vendor of the property.

Contributions of $679,347 by British Columbia Housing Management Commission ("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 (note 9(b)). $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, EFry 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 8). 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.

(c) In fiscal year 2023, EFry entered into a 60-year capital lease agreement for the 34 apartment units at the 137th Street building. Capital contributions were received from various federal and provincial funders (note 17).

(d) In fiscal year 2023, EFry entered into a 60-year capital lease agreement for the first floor programming space at the 137th Street building. Capital contributions were received from federal funders and private donors (note 17).

(e) EFry received contributions from the City of Burnaby for the construction of the building. (note 18).

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $177,226 (2023 - $151,109), which include amounts payable to Municipal Pension Plan, WorkSafe BC, and payroll related taxes.

8. Deferred contributions:

	2024	2023
B.C. Gaming Policy and Enforcement Branch grant (note 4)	$ 118,277	$ 91,127
Deferred income and funds	3,356,350	2,141,294
BC Housing forgivable loan (note a)	288,542	301,042
Sherbrooke Street capital building funds (note 4)	84,704	84,704
Burnaby development project (notes 4 and 18)	250,000	250,000
137th Street capital building funds (notes 4 and 17)	503,412	570,132
	4,601,285	3,438,299
Less current portion	4,234,443	3,058,957
Long-term portion	$ 366,842	$ 379,342

(a) In fiscal 2008, EFry 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, EFry must meet certain conditions for the duration of the 35-year term. Management has determined that it is likely that these conditions will 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, 2024, $120,000 (2023 - $100,000) of the loans have been forgiven with $380,000 (2023 - $400,000) outstanding subject to repayment plus interest if the conditions are not met for the remaining term of the loan.

9. Deferred capital contributions:

The Society receives grants and contributions towards certain housing projects and other capital assets. These amounts, once spent for which the funds are provided for, are deferred and amortized over the estimated useful lives of the related capital assets.

	137th Street Apartments	137th Street First Floor	Burnaby Newcombe Building	Others	Total 2024	Total 2023
	(note 17)	(note 17)	(note 18)			
Balance, beginning of year	$ 9,882,341	$ 2,844,238	$ 14,314,297	$ 1,122,162	$ 28,163,038	$ 1,166,127
Amounts received	547,670	-	2,338,139	253,310	3,139,119	27,335,773
Amounts amortized to revenue	(260,741)	(71,106)	(211,004)	(159,118)	(701,969)	(338,862)
Balance, end of year	$ 10,169,270	$ 2,773,132	$ 16,441,432	$ 1,216,354	$ 30,600,188	$ 28,163,038

9. Deferred capital contributions (continued):

(a) During fiscal 2009, EFry 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, EFry 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, EFry would be liable to pay the $549,960 loan plus interest. EFry 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, 2024, $549,960 (2023 - $494,964) of the loans have been forgiven with nil (2023 - $54,996) outstanding subject to repayment plus interest if the conditions are not met for the remaining term of the loan.

(b) During fiscal 2013, EFry 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, EFry must continue its development of a minimum of 10-housing units for women at risk of homelessness. If the condition is not met, EFry would be liable to pay the $679,347 loan plus interest at prime plus 2% per annum. EFry 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 6(a)).

(c) During fiscal year 2024, EFry entered into a forgivable loan agreement for $4,287,561 relating to the capital lease of the 137th Street Apartments. This loan is forgivable over 25 years commencing in the 11th year. Under this Agreement, EFry must continue to use the property for the specific purpose during the term of the loan. If the condition is not met, EFry would be liable to pay the loan balance plus interest at prime plus 2% per annum until the loan is fully paid. EFry expects to meet this condition and has therefore included the amount in deferred capital contributions and is being amortized over 40 years, which approximates the useful life of the building.

10. Long-term debt:

		2024		2023
Surrey Property - Duplex: 6.84% mortgage with Vancity, repayable in monthly installments of $1,953, including principal and interest, maturing on April 25, 2028	$	81,925	$	97,690
Ellendale Property: 4.193% mortgage with Scotiabank (previously MCAP), repayable in monthly installments of $2,021, including principal and interest, maturing on October 1, 2032		313,593		332,980
Rosedale Property: 4.783% mortgage with Canada Life, repayable in monthly installments of $2,226, including principal and interest, maturing April 1, 2027		323,939		335,023
Firth Property: 5.14% mortgage with Scotiabank (previously Peoples Trust), repayable in monthly installment of $9,661 including principal and interest, maturing on November 1, 2033		1,439,385		1,487,014
137th Street Apartments property: 3.57% mortgage with Scotiabank, repayable in monthly installments of $3,924 including principal and interest, maturing on May 1, 2033 (note 17)		932,199		-
New Westminster Property - 402 East Columbia: 2.85% mortgage with Vancity, repayable in monthly installments of $2,932 including principal and interest, maturing on October 1, 2035		347,008		371,945
		3,438,049		2,624,652
Less current portion		125,050		112,736
Long-term portion	$	3,312,999	$	2,511,916

Security for the mortgages payable is by way of a charge against EFry's land and buildings with carrying values as disclosed in note 6.

Principal payments on the mortgages required for the five fiscal periods subsequent to March 31, 2025, assuming renewal on similar terms and conditions, are as follows:

2025	$	125,050
2026		425,953
2027		109,838
2028		115,594
2029		97,458
Thereafter		2,564,156
	$	3,438,049

11. Equity (deficiency) in equity-accounted organization:

In 2011, EFry incorporated a wholly-owned subsidiary, A-GRL Business Corporation ("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.

The following is a summary of the financial position, results of operations and cash flow activities of AGRL as at and for the year ended March 31, 2024:

	2024	2023
Assets	$ 35,371	$ 24,341
Liabilities	20,592	16,263
Shareholder's equity (deficit)	18,296	8,078
Results from operations:		
Revenue	$ 116,544	$ 104,789
Expenses	106,326	93,967
Net income	$ 10,218	$ 10,822
Cash from operating activities	$ 10,218	$ 10,822
Cash from financing activities		-
Cash from investing activities		-

As at March 31, 2024, included in accounts receivable is $6,800 (2023 - $6,303) relating to expenses paid on behalf of and advances made to AGRL and $11,873 (2023 - nil) in accounts payable owed to AGRL.

12. Net assets invested in capital assets:

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

	2024	2023
Capital assets	$ 36,182,985	$ 33,903,971
Amounts financed by long-term debt	(3,091,041)	(2,252,707)
Amounts financed by deferred capital contributions	(30,600,188)	(28,163,038)
	$ 2,491,756	$ 3,488,226

12. Net assets invested in capital assets (continued):

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

	2024	2023
Deficiency of revenue over expenses:		
Amortization of deferred capital contributions	$ 701,969	$ 338,862
Amortization of capital assets	(860,904)	(631,046)
	$ (158,935)	$ (292,184)
Net change in invested in capital assets:		
Purchase of capital assets	$ 3,139,919	$ 28,555,400
Amount funded by deferred capital contributions (note 9)	(3,139,119)	(27,335,773)
Decrease (increase) of long-term debt	(838,334)	564,863
	$ (837,534)	$ 1,784,490

13. Internally restricted net assets:

In fiscal 2009, the Board of Directors (the “Board”) of EFry passed a motion to establish an internally restricted contingency fund to be used for any future unexpected or unbudgeted operating or capital expenditures of EFry’s programs. No transfers were made into the fund during fiscals 2024 or 2023.

14. 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:

	2024	2023
Total number of registered volunteers	$ 192	$ 122
Total hours contributed to program services	10,002	12,420
Total value of donated program services	216,336	268,640

In addition, 126 hours (2023 - 324 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.

15. Vancouver Foundation endowment fund:

EFry 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 EFry, the fund balance is not included in EFry's statement of financial position. All income from the fund, which has been disbursed at least annually, is for the benefit of EFry.

During the fiscal year March 31, 2024, EFry recapitalized $15,676 (2023 - $14,120) of interest paid back into the endowment fund. EFry has made total contributions of $104,284 in prior years which has been matched by contributions from the Vancouver Foundation of $75,000 in addition to other capital gifts for a total cost capital balance of $223,075 (2023 - $203,711) and fair value of $355,377 (2023 - $316,734) as at March 31, 2024.

16. Employee Pension Plan:

EFry 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 240,000 active members and approximately 124,000 retired members. Active members include approximately 127 (2023 - 126) employees of EFry.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Plan as at December 31, 2021, indicated a $3.761 billion funding surplus for basic pension benefits on a going concern basis. The next required valuation will be as at December 31, 2024, with results available in 2025.

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.

EFry paid $722,052 (2023 - $679,990) for employer contributions to the Plan in fiscal 2024.

17. 137th Street Project:

EFry was involved in the development of a mixed-use property on 137th Street in Surrey, B.C. (the “Project”). EFry acted as the Project Manager under a Project Management Agreement (“PMA”) with Provincial Rental Housing Corporation (“PRHC”), a provincial Crown Corporation under the auspice of BC Housing. Under the PMA, EFry was responsible for the design, budget administration, construction, and contracting of third-party services required for the Project development and construction. The Project was built on land owned by the City of Surrey, and leased to PRHC for sixty years.

The overall funding for the Project is through a combination of Municipal, Provincial, Federal funds, private donations, and commercial mortgage (note 10).

In fiscal 2023, the Project was completed, and EFry contracted with PRHC to operate and manage the building for 10 years. EFry also entered into capital lease agreements for 34 housing units and the first floor of the building. The housing units are rented out to tenants while the first-floor is used as programming space.

The capital lease agreements substantially transfer all of the economic benefit expected to be derived from the use of the leased property over its life span, hence the cost of the 34 housing units and the first-floor programming space meet the definition of an asset and have been capitalized (note 6).

The apartments and the first-floor programming space were funded by capital contributions from various sources and have been included in deferred capital contributions. These contributions are amortized at the same rate as the related assets. See notes 6(c) and (d).

Included in deferred contributions and restricted cash is $503,412 related to unused private donor contributions.

18. Burnaby Newcombe Building:

The Burnaby building is a 49-unit housing project (“Project”) that commenced in fiscal year 2021. The Project is built on land owned by the City of Burnaby and upon completion of the construction, EFry will own and manage the building and its operations. The Project was completed in September 2023. The total cost of the Project was approximately $16.7 million (note 6) and it was funded through the City of Burnaby.

The asset and corresponding deferred capital contributions received towards the Project (note 6) are amortized at a similar rate.

19. Commitments and contingencies:

EFry leases office space and equipment requiring annual payments as follows:

2025	$ 507,540
2026	477,043
2027	385,471
2028	209,313
2029	44,534
2030 and thereafter	117,405
Total	$ 1,741,306

EFry is required to meet certain conditions under certain forgivable loan agreements (notes 8 and 9).

20. Government funding and economic dependence:

EFry's ongoing operations is economically dependent on the renewal of annual funding agreements with various government agencies.

21. Employee, contractor and director remuneration:

For the fiscal year ended March 31, 2024, EFry paid total remuneration of $2,790,791 (2023 - $2,470,303) to employees and contractors for services, each of whom received total annual remuneration of $75,000 or greater.

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

22. Financial risks and concentration of credit 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. EFry 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. Cash, term deposit and investment assets are held with large reputable financial institutions where credit risk is considered low.

(b) Liquidity risk:

Liquidity risk is the risk that an entity will not be able to meet its obligations associated with financial liabilities. EFry is exposed to this risk mainly in respect of its long-term debt. EFry manages liquidity risk by maintaining adequate cash, highly liquid investments, and available credit facilities with its banking provider.

22. Financial risks and concentration of credit risk (continued):

(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. EFry has investments in pooled funds which are subject to risks arising to changes in market conditions.

(d) Interest rate risk:

Fixed interest rate instruments are subject to fair value risk while floating rate instruments are subject to cashflow risk. EFry's long-term debt (note 10) bearing fixed interest rates are subject to fair value risk.

There have been no significant changes to the above risk exposures from 2023.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Schedule of Revenue by Source

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Provincial government:		
B.C. Ministry of Children and Family Development	$ 1,276,414	$ 1,239,606
B.C. Ministry of Social Development	2,073,009	1,999,685
Fraser Health Authority	2,271,392	2,956,450
Provincial Health Services Authority	1,659,202	551,711
B.C. Corrections	100,042	51,085
B.C. Housing Management Commission	8,727,009	7,885,412
	16,107,068	14,683,949
Federal government:		
Correctional Service Canada	897,462	859,010
Public Safety of Canada	321,513	370,410
Reaching Home: Canada's Homelessness Strategy (a)	3,434,299	2,416,891
	4,653,274	3,646,311
Grants	679,611	500,603
Other income	343,845	511,563
Donated volunteer services (note 14)	216,336	268,640
Donations and membership fees	158,556	124,171
Rental income	1,539,802	434,001
Investment income	306,740	153,545
	$ 24,005,232	$ 20,322,783

(a) Reaching Home: Canada's Homelessness Strategy:

Under the funding from the Federal Government: Reaching Home: Canada's Homelessness Strategy, EFry received $3,434,299 (2023 - $2,416,591) and incurred costs of $3,445,905 (2023 - $2,419,032) for the following projects:

- A Key of Her Own - total revenue of $572,495 (2023 - $502,042) and total expenses of $571,758 (2023 - $504,100);
- A Key of Her Own - Winter Funds - total revenue of $70,761 (2023 - nil), total expenses of $70,761 (2023 - nil), total deferred revenue $44,702 (2023 - nil), and total capitalized asset $44,702 (2023 - nil);
- Surrey Collaborative - total revenue of $1,719,015 (2023 - $1,502,892) and total expenses of $1,726,682 (2023 - $1,504,474);
- Surrey Collaborative - Winter Funds - total revenue of $99,175 (2023 - nil), total expenses of $99,175 (2023 - nil), total deferred revenue $47,111 (2023 - nil), and total capitalized asset $47,111 (2023 - nil);
- Intensive Family Stabilization Project - total revenue of $302,713 (2023 - $173,852) and total expenses of $302,009 (2023 -$172,427);

(a) Reaching Home: Canada's Homelessness Strategy (continued):

- Intensive Family Stabilization Project - Winter Funds - total revenue of $24,191 (2023 - nil) and total expenses of $24,191 (2023 -nil);
- Abbotsford Collaborative - A Way Home - total revenue of $223,922 (2023 - $119,607) and total expenses of $227,498 (2023 - $120,489);
- Victoria Designated Communities Funding - total revenue of $380,262 (2023 - $118,198) and total expenses of $382,066 (2023 - $117,542);
- Victoria Designated Communities Funding - Winter Funds - total revenue of $41,765 (2023 - nil), total expenses of $41,765 (2023 - nil), total deferred revenue $49,806 (2023 - nil), and total capitalized asset $49,806 (2023 - nil).

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Schedule of Expenses by Object

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Communications	$ 187,759	$ 168,857
Contract services	1,116,317	969,432
Donated volunteer services	216,336	268,640
Food	645,233	497,589
Furniture, appliances and equipment	143,785	260,640
Insurance and property taxes	326,630	215,526
Office	100,346	93,034
Professional services	877,202	828,700
Program supplies and client expenses	1,405,964	719,301
Promotion, recruiting, dues and publications	237,622	246,251
Rent	1,237,503	812,100
Repairs and maintenance	264,470	233,722
Salaries and employee benefits	15,682,522	13,465,134
Training, meetings and accreditation	127,074	117,427
Travel and vehicle	235,048	199,397
Utilities, services and bank fees	480,106	384,101
	$ 23,283,917	$ 19,479,851