Financial Statements of

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

And Independent Auditor's Report thereon

Year ended March 31, 2023

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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, 2023
- 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, 2023, 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
June 29, 2023

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	$ 4,585,755	$ 3,941,752
Restricted cash and term deposit (note 4)	1,900,175	2,439,257
Accounts receivable (note 11)	2,506,250	2,705,807
Prepaid expenses and deposit	43,120	43,120
Prepaid rent (note 6(b))	12,429	12,429
	9,047,729	9,142,365
Restricted cash (note 4)	218,752	216,362
Investments at fair value (note 5)	294,384	291,024
Surplus in equity-accounted organization (note 11)	8,078	-
Prepaid rent (note 6(b))	286,914	299,343
Capital assets (note 6)	33,903,971	5,979,617
	$ 43,759,828	$ 15,928,711
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	$ 5,058,520	$ 2,931,101
Deferred contributions (note 8)	3,058,957	4,084,033
Current portion of long-term debt (note 10)	112,736	148,012
	8,230,213	7,163,146
Replacement reserve (note 4)	36,358	35,120
Deferred contributions (note 8)	379,342	477,690
Lease inducement	24,000	40,000
Deferred capital contributions (note 9)	28,163,038	1,166,127
Long-term debt (note 10)	2,511,916	3,065,766
Deficiency in equity-accounted organization (note 11)	-	2,744
	39,334,867	11,950,593
Net assets:		
Unrestricted	267,715	1,323,178
Invested in capital assets (note 12)	3,488,226	1,995,920
Internally restricted (note 13)	659,020	659,020
	4,414,961	3,978,118
Commitments and contingencies (note 19)		
Government funding and economic dependence (note 20)		
	$ 43,759,828	$ 15,928,711

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, 2023, with comparative information for 2022

	2023	2022
Revenue (schedule):		
Provincial government contracted programs	$ 14,683,949	$ 12,738,492
Federal government contracted programs	3,646,311	4,141,757
Grants and donations - 137th Street Project	-	1,134,832
Other income	511,563	553,487
Sales and rental income	434,001	335,155
Grants - other	500,603	795,072
Donations and membership fees	124,171	135,429
Investment income	153,545	25,148
Donated volunteer services (note 14)	268,640	162,706
	20,322,783	20,022,078
Expenses (schedule):		
Women at risk	9,505,388	9,386,049
Families at risk	4,846,097	3,478,654
Youth at risk	1,068,934	1,387,032
Community justice	3,744,721	3,962,263
Management and policy	314,711	88,766
137th Street Project	-	1,134,832
	19,479,851	19,437,596
Excess of revenue over expenses before the undernoted	842,932	584,482
Interest on long-term debt	(124,727)	(129,316)
Amortization of deferred capital contributions (note 9)	338,862	96,706
Amortization of capital assets	(631,046)	(363,993)
Income on equity-accounted organization (note 11)	10,822	2,028
Excess of revenue over expenses	$ 436,843	$ 189,907

See accompanying notes to financial statements.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Changes in Net Assets

Year ended March 31, 2023, with comparative information for 2022

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

March 31, 2022	Unrestricted	Invested in capital assets (note 12)	Internally restricted (note 13)	Total
Balance, beginning of year	$ 1,154,333	$ 1,974,858	$ 659,020	$3,788,211
Excess (deficiency) of revenue over expenses	457,194	(267,287)	-	189,907
Net change in invested in capital assets	(288,349)	288,349	-	-
Balance, end of year	$ 1,323,178	$ 1,995,920	$ 659,020	$3,978,118

See accompanying notes to financial statements.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Cash Flows

Year ended March 31, 2023 with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	$ 436,843	$ 189,907
Items not affecting cash:		
Fair value adjustment on investments (note 5)	(3,360)	1,438
Amortization of deferred capital contributions	(338,862)	(96,706)
Amortization of capital assets	631,046	363,993
Amortization of prepaid rent	12,429	12,429
	738,096	471,061
Changes in non-cash operating working capital:		
Accounts receivable	199,557	(692,066)
Prepaid expenses and deposit	-	60,925
Accounts payable and accrued liabilities	2,127,419	1,168,046
Replacement reserve	1,238	(1,771)
Lease inducement	(16,000)	(16,000)
Deferred contributions	(1,123,424)	(395,616)
	1,926,886	594,579
Investments:		
Increase in restricted cash and term deposit	536,692	267,712
Reinvested investment income	-	226,752
Purchase of capital assets	(28,555,400)	(245,721)
Decrease in investment in equity-accounted organization	(10,822)	(2,028)
	(28,029,530)	246,715
Financing:		
Repayments on long-term debt	(589,126)	(137,134)
Deferred capital contributions received (note 9)	27,335,773	70,919
	26,746,647	(66,215)
Increase in cash	644,003	775,079
Cash, beginning of year	3,941,752	3,166,673
Cash, end of year	$ 4,585,755	$ 3,941,752

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.

2. Significant accounting policies (continued):

(a) Revenue recognition (continued):

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

(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 (2022 - $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, 2023 and 2022.

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:

		2023	2022
137th Street capital building funds (notes 8 and 17)		$ 1,559,048	$ 2,087,725
Burnaby development project (notes 8 and 18)		250,000	250,000
BC Gaming Policy and Enforcement Branch grant (note 8)	(a)	91,127	101,532
BC Housing rent supplement		97,690	96,538
Sherbrooke Street capital building funds (note 8)		84,704	84,704
CMHC replacement reserve	(b)	36,358	35,120
		2,118,927	2,655,619
Less current portion		1,900,175	2,439,257
Long-term portion		$ 218,752	$ 216,362

(a) During the year, EFry received $86,850 (2022 - $100,000) 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”).

5. Investments at fair value:

EFry’s investments held at fair value consist of North Growth pooled equity funds. An unrealized gain of $3,360 (2022 - loss of $1,438) in fair valuing the investments has been included in interest and investment income.

6. Capital assets:

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 (note 18)		14,314,297	-	14,314,297
		$ 40,062,421	$ 6,158,450	$ 33,903,971

March 31, 2022		Cost	Accumulated amortization	Net book value
Land	(a)	$ 3,816,264	$ -	$ 3,816,264
Buildings:				
Surrey Property - Ellendale	(a)	428,186	190,128	238,058
Surrey Property - Duplex		415,307	249,183	166,124
Abbotsford Property		994,193	462,146	532,047
Burnaby Property		62,519	50,451	12,068
New Westminster Property - 402 East Columbia		3,675,605	3,606,359	69,246
Building improvements		537,894	147,448	390,446
Building under capital lease	(b)	458,928	171,139	287,789
Leasehold improvements		272,639	146,728	125,911
Furniture and equipment		548,618	304,758	243,860
Vehicles		296,867	199,063	97,804
		$ 11,507,020	5,527,403	$ 5,979,617

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). $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 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.

(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).

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $151,109 (2022 - $258,597), which include amounts payable to Municipal Pension Plan, WorkSafe BC, and payroll related taxes.

8. Deferred contributions:

	2023	2022
B.C. Gaming Policy and Enforcement Branch grant (note 4)	$ 91,127	$ 101,532
Deferred income and funds	2,141,294	1,729,673
BC Housing forgivable loan (note a)	301,042	313,542
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)	570,132	2,082,272
	3,438,299	4,561,723
Less current portion	3,058,957	4,084,033
Long-term portion	$ 379,342	$ 477,690

(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, 2023, $100,000 (2022 - $80,000) of the loans have been forgiven with $400,000 (2022 - $420,000) 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 (note 17)	137th Street First Floor (note 17)	Burnaby Newcombe Building (note 18)	Others	Total 2023	Total 2022
Balance, beginning of year	$ -	$ -	$ -	$ 1,166,127	$ 1,166,127	$ 1,191,914
Amounts received	10,028,591	2,886,330	14,314,297	106,555	27,335,773	70,919
Amounts amortized to revenue	(146,250)	(42,092)	-	(150,520)	(338,862)	(96,706)
Balance, end of year	$ 9,882,341	$ 2,844,238	$ 14,314,297	$ 1,122,162	$ 28,163,038	$ 1,166,127

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, 2023, $494,964 (2022 - $439,968) of the loans have been forgiven with $54,996 (2022 - $109,992) 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)).

10. Long-term debt:

	2023	2022
Surrey Property - Duplex: 4.15% mortgage with Vancity, repayable in monthly installments of $1,779, including principal and interest, maturing on April 25, 2028	$ 97,690	$ 114,636
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	332,980	584,320
Rosedale Property: 4.783% mortgage with Canada Life, repayable in monthly installments of $2,226, including principal and interest, maturing April 1, 2027	335,023	345,595
Firth Property: 3.84% mortgage with Peoples Trust, repayable in monthly installment of $8,672 including principal and interest, maturing on November 1, 2023	1,487,014	1,533,464
New Westminster Property - Sherbrooke Mortgage was fully repaid in fiscal year 2023	-	239,555
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	371,945	396,208
	2,624,652	3,213,778
Less current portion	112,736	148,012
Long-term portion	$ 2,511,916	$ 3,065,766

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.

10. Long-term debt (continued):

Principal payments on the mortgages required for the five fiscal periods subsequent to March 31, 2023, assuming renewal on similar terms and conditions, are as follows:

2024	$ 112,736
2025	117,066
2026	416,714
2027	99,129
2028	103,207
Thereafter	1,775,800
	$ 2,624,652

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, 2023:

	2023	2022
Assets	$ 24,341	$ 13,258
Liabilities	16,263	16,002
Shareholder’s equity (deficit)	8,078	(2,744)
Results from operations:		
Revenue	$ 104,789	$ 77,241
Expenses	93,967	75,213
Net income	$ 10,822	$ 2,028
Cash from operating activities	$ 10,822	$ 2,028
Cash from financing activities	-	-
Cash from investing activities	-	-

As at March 31, 2023, included in accounts receivable is $6,303 (2022 - $6,161) relating to expenses paid on behalf of and advances made to AGRL.

12. Net assets invested in capital assets:

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

	2023	2022
Capital assets	$ 33,903,971	$ 5,979,617
Amounts financed by long-term debt	(2,252,707)	(2,817,570)
Amounts financed by deferred capital contributions	(28,163,038)	(1,166,127)
	$ 3,488,226	$ 1,995,920

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

	2023	2022
Deficiency of revenue over expenses:		
Amortization of deferred capital contributions	$ 338,862	$ 96,706
Amortization of capital assets	(631,046)	(363,993)
	$ (292,184)	$ (267,287)
Net change in invested in capital assets:		
Purchase of capital assets	$ 28,555,400	$ 245,721
Amount funded by deferred capital contributions (note 9)	(27,335,773)	(70,919)
Decrease of long-term debt	564,863	113,547
	$ 1,784,490	$ 288,349

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 2023 or 2022.

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:

	2023	2022
Total number of registered volunteers	122	173
Total hours contributed to program services	12,420	7,523
Total value of donated program services	$ 268,640	$ 162,706

In addition, 324 hours (2022 - 397 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, 2023, EFry recapitalized $14,120 (2022 - $10,257) 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 for a total cost capital balance of $203,711 (2022 - $189,541) and fair value of $316,734 (2022 - $315,293) as at March 31, 2023.

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 126 (2022 - 127) employees of EFry.

16. Employee Pension Plan (continued):

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 $679,990 (2022 - $695,959) for employer contributions to the Plan in fiscal 2023.

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, and private donations.

During the current fiscal year 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 will be rented out to tenants while the first-floor will be 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).

17. 137th Street Project (continued):

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 will be amortized at the same rate as the related assets. See notes 6(c) and (d).

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 total cost of the Project is expected to be approximately $17.8 million and is funded through the City of Burnaby. The Project is anticipated to be completed by July 2023.

During the fiscal year 2023, the Project incurred approximately $14.3 million in construction costs. The asset and corresponding deferred capital contributions received towards the Project (note 6) will be amortized at a similar rate once the building is put in use.

19. Commitments and contingencies:

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

2024	$ 424,411
2025	389,256
2026	362,648
2027	294,286
2028 and thereafter	229,072
Total	$ 1,699,673

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 depend on the renewal of annual funding agreements with various government agencies.

21. Employee, contractor and director remuneration:

For the fiscal year ended March 31, 2023, EFry paid total remuneration of $1,354,543 (2022 - $1,264,044) to the ten highest paid 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.

(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 2022.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Schedule of Revenue by Source

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Provincial government:		
B.C. Ministry of Children and Family Development	$ 1,239,606	$ 1,163,980
B.C. Ministry of Social Development	1,999,685	1,985,318
Fraser Health Authority	2,956,450	2,869,954
Provincial Health Services Authority	551,711	-
B.C. Corrections	51,085	33,403
B.C. Housing Management Commission	7,885,412	6,685,837
	14,683,949	12,738,492
Federal government:		
Correctional Service Canada	859,010	748,572
Public Safety of Canada	370,410	514,395
Reaching Home: Canada’s Homelessness Strategy (a)	2,416,891	2,878,790
	3,646,311	4,141,757
137th Street Project:		
Grants	-	134,832
Donations	-	1,000,000
	-	1,134,832
Grants	500,603	795,072
Other income	511,563	553,487
Donated volunteer services (note 14)	268,640	162,706
Donations and membership fees	124,171	135,429
Rental income	434,001	335,155
Investment income	153,545	25,148
	$ 20,322,783	$ 20,022,078

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

Under the funding from the Federal Government: Reaching Home: Canada’s Homelessness Strategy, EFry received $2,416,591 (2022 - $2,926,013) and incurred costs of $2,419,032 (2022 - $2,985,386) for the following projects:

- A Key of Her Own - total revenue of $502,042 (2022 - $458,372) and total expenses of $504,100 (2022 - $462,688);
- Surrey Collaborative - total revenue of $1,502,892 (2022 - $1,361,663) and total expenses of $1,504,474 (2022 - $1,383,738);
- Intensive Family Stabilization Project - total revenue of $173,852 (2022 - nil) and total expenses of $172,427 (2022 - nil);
- Abbotsford Collaborative - A Way Home - total revenue of $119,607 (2022 - nil) and total expenses of $120,489 (2022 - nil);

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

- Victoria Designated Communities Funding - total revenue of $118,198 (2022 - nil) and total expenses of $117,542 (2022 - nil);
- CERP029 Project - total revenue of nil (2022 - $224,202) and total expenses of nil (2022 - $232,960);
- CERP055 Project - total revenue of nil (2022 - $364,210) and total expenses of nil (2022 - $367,061);
- Abbotsford Renovation Project - total capital contribution nil (2022 - $47,223) and total capital asset of nil (2022 - $47,223);
- Intensive Housing Project - total revenue of nil (2022 - 15,946) and total expenses of nil (2022 - $15,961); and
- Norwich Project - total revenue of nil (2022 - $303,420) and total expenses of nil (2022 - $324,779).

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Schedule of Expenses by Object

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Communications	$ 168,857	$ 174,877
Contract services	969,432	1,127,271
Donated volunteer services	268,640	162,706
Food	497,589	430,006
Furniture, appliances and equipment	260,640	123,603
Insurance and property taxes	215,526	161,791
Office	93,036	96,820
Professional services	825,145	2,012,378
Program supplies and client expenses	719,301	512,876
Promotion, recruiting, dues and publications	246,251	280,565
Rent	812,100	834,523
Repairs and maintenance	233,722	145,995
Salaries and employee benefits	13,465,133	12,858,579
Training, meetings and accreditation	117,427	126,193
Travel and vehicle	199,396	145,951
Utilities, services and bank fees	384,101	243,462
	$ 19,476,296	$ 19,437,596