

Financial Statements of

**THE ELIZABETH FRY SOCIETY
OF GREATER VANCOUVER**

Year ended March 31, 2016



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INDEPENDENT AUDITORS' REPORT

To the Members of the Elizabeth Fry Society of Greater Vancouver

Report on the Financial Statements

We have audited the accompanying financial statements of The Elizabeth Fry Society of Greater Vancouver, which comprise the statement of financial position as at March 31, 2016, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Elizabeth Fry Society of Greater Vancouver as at March 31, 2016 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.

Report on Other Legal and Regulatory Requirements

As required by the Society 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 year.

KPMG LLP

Chartered Professional Accountants

June 23, 2016
Burnaby, Canada

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash	\$ 46,286	\$ 57,519
Restricted cash (note 4)	5,099	5,095
Accounts receivable (note 12(a))	355,157	526,407
Prepaid expenses and deposit	63,208	45,711
Prepaid rent (note 7(b))	12,429	12,429
	<u>482,179</u>	<u>647,161</u>
Restricted cash (note 4)	28,528	27,218
Investments held at fair value (note 5)	136,894	143,349
Other assets (note 6)	226,752	226,752
Prepaid rent (note 7(b))	373,917	386,346
Capital assets (note 7)	6,997,295	7,292,077
	<u>\$ 8,245,565</u>	<u>\$ 8,722,903</u>
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Line of credit (note 3)	\$ -	\$ 416,241
Accounts payable and accrued liabilities (note 8)	625,170	483,627
Current portion of long-term debt (note 11)	97,620	81,120
Deferred contributions (note 9)	190,032	270,900
	<u>912,822</u>	<u>1,251,888</u>
Replacement reserve (note 4)	28,528	27,218
Deferred contributions (note 9)	376,042	388,542
Deferred capital contributions (note 10)	1,434,713	1,558,343
Long-term debt (note 11)	3,812,211	3,408,586
Deficiency in equity-accounted organization (note 12)	34,816	42,853
	<u>6,599,132</u>	<u>6,677,430</u>
Net assets:		
Unrestricted	(650,067)	(346,696)
Invested in capital assets (note 13)	2,148,359	2,244,028
Internally restricted (note 14)	148,141	148,141
	<u>1,646,433</u>	<u>2,045,473</u>
Continuing operations (note 2)		
Commitments and contingencies (note 18)		
Economic dependence (note 19)		
	<u>\$ 8,245,565</u>	<u>\$ 8,722,903</u>

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, 2016, with comparative information for 2015

	2016	2015
Revenue (schedule):		
Provincial government contracted programs (note 19)	\$ 5,157,089	\$ 5,467,419
Federal government contracted programs (note 19)	1,658,461	755,161
Other income	180,525	409,454
Sales and rental income	121,921	413,419
Grants	122,500	123,207
Donations and membership fees	83,566	90,106
United Way	60,020	60,120
Investment income	2,396	28,475
Donated volunteer services (note 15)	461,545	430,859
	<u>7,848,023</u>	<u>7,778,220</u>
Expenses (schedule):		
Women at risk	2,508,865	2,397,094
Families at risk	1,876,469	2,441,915
Youth at risk	779,223	834,625
Community justice	2,475,685	1,752,386
Management and policy	278,796	334,665
	<u>7,919,038</u>	<u>7,760,685</u>
Excess (deficiency) of revenue over expenses before the undernoted	(71,015)	17,535
Interest on long-term debt	(143,310)	(145,154)
Amortization of deferred capital contributions (note 10)	123,630	151,906
Amortization of capital assets	(296,382)	(294,993)
Bad debt expense	(20,000)	-
Income on equity-accounted organization (note 12)	8,037	14,449
Deficiency of revenue over expenses for the year	<u>\$ (399,040)</u>	<u>\$ (256,257)</u>

See accompanying notes to financial statements.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Changes in Net Assets

Year ended March 31, 2016, with comparative information for 2015

2016	Unrestricted	Invested in Capital assets (note 13)	Internally restricted (note 14)	Total
Balance, beginning of year	\$ (346,696)	\$ 2,244,028	\$ 148,141	\$ 2,045,473
Deficiency of revenue over expenses	(226,288)	(172,752)	-	(399,040)
Net change invested in capital assets	(77,083)	77,083	-	-
Balance, end of year	\$ (650,067)	\$ 2,148,359	\$ 148,141	\$ 1,646,433

2015	Unrestricted	Invested in Capital assets (note 13)	Internally restricted (note 14)	Total
Balance, beginning of year	\$ (117,531)	\$ 2,271,120	\$ 148,141	\$ 2,301,730
Deficiency of revenue over expenses	(113,170)	(143,087)	-	(256,257)
Net change invested in capital assets	(115,995)	115,995	-	-
Balance, end of year	\$ (346,696)	\$ 2,244,028	\$ 148,141	\$2,045,473

See accompanying notes to financial statements.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating:		
Deficiency of revenue over expenses	\$ (399,040)	\$ (256,257)
Items not affecting cash:		
Fair value adjustment on investments	9,689	(14,231)
Amortization of deferred capital contributions	(123,630)	(151,906)
Amortization of capital assets	296,382	294,993
Amortization of prepaid rent	12,429	12,429
Accretion of other assets	-	(19,568)
	(204,170)	(134,540)
Changes in non-cash working capital:		
Accounts receivable	171,250	(70,549)
Prepaid expenses and deposit	(17,497)	(19,868)
Accounts payable and accrued liabilities	141,543	141,473
Replacement reserve	1,310	359
Deferred contributions	(93,368)	(72,383)
	(932)	(155,508)
Investments:		
Decrease (increase) in restricted cash	(1,314)	34,586
Reinvested investment income	(3,234)	(6,951)
Purchase of capital assets	(1,600)	(46,074)
Decrease in investment in equity-accounted organization	(8,037)	(14,449)
	(14,185)	(32,888)
Financing:		
Increase in long-term debt, net of repayments	420,125	(69,921)
Proceeds from (payments to) line of credit	(416,241)	141,079
	3,884	71,158
Decrease in cash	(11,233)	(117,238)
Cash, beginning of year	57,519	174,757
Cash, end of year	\$ 46,286	\$ 57,519

See accompanying notes to financial statements.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements

Year ended March 31, 2016

1. Operations:

The Elizabeth Fry Society of Greater Vancouver (the "Society") is incorporated under the Society 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) Basis of presentation – continuing operations

These financial statements have been prepared on the basis that the Society is a going concern, which assumes that the Society will continue to realize its assets and discharge its liabilities in the normal course of operations. The Society experienced an annual deficit of \$399,040 for the year ended March 31, 2016 (2015- \$256,256), and has a negative working capital position of \$430,643 (2015 - \$604,727) and negative unrestricted net asset position of \$650,067 (2015 - \$346,696) as at March 31, 2016. The Society continues to be supported by its lenders and Management has long term borrowing to replace working capital used for capital asset purchases in the prior years. Management has put in place a long term financial sustainability framework and revenue generation plan to continue to increase the diversity and flexibility of revenue and to generate annual surpluses, an asset replacement fund, and unrestricted cash to increase working capital.

(b) Investment in subsidiary:

The Society accounts for its 100% owned subsidiary, Asphalt Gals Recycling Ltd. ("Asphalt Gals"), 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.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

2. Significant accounting policies (continued):

(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:

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) 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.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

2. Significant accounting policies (continued):

(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.

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 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 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 (2015 - \$500,000), drawings on which bear interest at the bank's prime rate plus 0.50% per annum. The 402 E. Columbia Street building is provided as security.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

4. Restricted cash:

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

	2016	2015
CMHC replacement reserve	\$ 28,528	\$ 27,218
BC Gaming Policy and Enforcement Branch grant (note 9)	5,099	5,095
	<u>\$ 33,627</u>	<u>\$ 32,313</u>

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 \$1,000 was spent from the reserve on equipment (2015 - nil). Interest income earned by and credited to the reserve totaled \$311 (2015 - \$359).

During the year, the Society received \$100,000 (2015 - \$65,000) from the BC Gaming Policy and Enforcement Branch (formerly, BC Gaming Commission) and spent \$100,000 (2015 - \$100,000) on qualified specialized projects.

5. Investments held at fair value:

The Society's investments held at fair value consist of North Growth pooled equity funds. An unrealized loss of \$9,689 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.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

7. Capital assets:

2016	Cost	Accumulated amortization	Net book value
Land (a)	\$ 3,816,264	\$ -	\$ 3,816,264
Buildings:			
Ellendale – Surrey (a)	428,186	73,223	354,963
Surrey Property - Duplex	415,307	149,509	265,798
Rio/Firth	994,193	223,540	770,653
Orenda House	62,519	35,446	27,073
402 East Columbia	3,675,605	2,724,215	951,390
Building improvements	290,573	34,260	256,313
Building under capital lease (b)	458,928	102,301	356,627
Leasehold Improvements - A'mut	143,648	51,720	91,928
Furniture and equipment	259,114	159,088	100,026
Vehicles	69,204	62,944	6,260
	\$ 10,613,541	\$ 3,616,246	\$ 6,997,295

2015	Cost	Accumulated amortization	Net book value
Land (a)	\$ 3,816,264	\$ -	\$ 3,816,264
Buildings:			
Ellendale – Surrey (a)	428,186	51,382	376,804
Surrey Property - Duplex	415,307	132,898	282,409
Rio/Firth	994,193	183,772	810,421
Orenda House	62,519	32,946	29,573
402 East Columbia	3,675,605	2,577,190	1,098,415
Building improvements	290,573	19,655	270,918
Building under capital lease (b)	458,928	90,828	368,100
Leasehold Improvements - A'mut	143,648	45,974	97,674
Furniture and equipment	259,114	124,085	135,029
Vehicles	84,816	78,346	6,470
	\$ 10,629,153	\$ 3,337,076	\$ 7,292,077

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

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 increase 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 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 (A'mut). 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 \$57,224 (2015 - \$52,596), which included amounts payable for Municipal Pension Plan, WorkSafe BC, BC Medical Services Plan, and payroll related taxes.

9. Deferred contributions:

	2016	2015
B.C. Gaming Policy and Enforcement Branch grant (note 4)	\$ 5,099	\$ 5,095
Deferred program income	171,636	252,508
Other funds	796	796
B.C. Housing forgivable loan	388,543	401,043
	566,074	659,442
Less current portion	190,032	270,900
Long-term portion	\$ 376,042	\$ 388,542

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

9. Deferred contributions (continued):

In fiscal 2008, the Society entered into a forgivable loan agreement for \$500,000 relating to the lease of the A'mut land and building. This loan is forgivable starting on the 11th year at a rate of \$25,000 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 A'mut lease, it is being amortized into revenue over the lease term of 40 years.

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 A'mut building (note 7(b)), and capital grants for the renovation and building improvements of the Ellendale and Rio/Firth properties.

	2016	2015
Balance, beginning of year	\$ 1,558,343	\$ 1,710,249
Amounts amortized to revenue	(123,630)	(151,906)
Balance, end of year	\$ 1,434,713	\$ 1,558,343

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 ten 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 twelve 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. In 2016, BC Housing confirmed that the second annual portion of \$54,996 had been forgiven.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

10. Deferred capital contributions (continued):

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 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)).

11. Long-term debt:

	2016	2015
Orenda House:		
7.875% mortgage, repayable in monthly installments of \$322, including principal and interest, balance due June 30, 2020	\$ 14,247	\$ 16,821
Surrey Property - Duplex: (a) 3.24% mortgage, repayable in monthly installments of \$1,294, including principal and interest, balance due April 25, 2018	194,660	203,748
A'mut Property:		
4.783% mortgage, repayable in monthly installments of \$2,226, including principal and interest balance due April 1, 2027	399,531	407,151
Ellendale Property - Surrey:		
3.562% mortgage, repayable in monthly installments of \$3,369, including principal and interest balance due October 1, 2022	680,275	688,538
Firth Property:		
3.840% mortgage, repayable in monthly installment of \$8,672 including principal and interest, balance due November 1, 2043	1,754,450	1,786,945
Total carried forward	3,043,163	3,103,203

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

11. Long-term debt (continued):

	2016	2015
Total brought forward	\$ 3,043,163	\$ 3,103,203
Sherbrooke Property: 3.75% mortgage, repayable in monthly installments of \$2,051, including principal and interest balance due April 15, 2038	371,060	386,503
402 East Columbia Property: 3.250% mortgage, repayable in monthly installments of \$2,430, including principal and interest balance due October 1, 2040	495,608	-
Total debt	3,909,831	3,489,706
Less current portion	97,620	81,120
Long-term portion	\$ 3,812,211	\$ 3,408,586

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, 2016, assuming renewal on similar terms and conditions at end of the initial term, are as follows:

2017	\$ 97,620
2018	101,412
2019	105,356
2020	109,461
2021	535,796
Thereafter	2,960,186
Total	\$ 3,909,831

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

12. Deficiency in equity-accounted organization:

In 2011, the Society incorporated a wholly owned subsidiary, Asphalt Gals Recycling Ltd. ("Asphalt Gals"). Asphalt Gals is a for-profit organization that operates within the roofing sector and was established to create a sustainable social enterprise that provides instruction and work experience to women at risk of homelessness.

Financial information of Asphalt Gals is disclosed below:

	2016	2015
Assets	\$ 13,322	\$ 11,844
Liabilities	48,138	54,697
Shareholder's deficit	(34,816)	(42,853)
Results from operations:		
Revenue	\$ 35,895	\$ 74,610
Expenses	27,858	60,161
Net income	\$ 8,037	\$ 14,449
Cash from operating activities	\$ 4,270	\$ 3,571
Cash from financing activities	-	-
Cash from investing activities	-	-

- (a) During 2016, the Society charged Asphalt Gals \$4,000 (2015 - \$12,000) for services rendered under a management and administrative services agreement, which has been recorded under other income. As at March 31, 2016, there was \$15,389 (2015 - \$18,539) included in accounts receivable from these services.
- (b) As at March 31, 2016, an additional \$28,696 (2015 - \$29,065) is included in accounts receivable from Asphalt Gals relating to expenses paid on behalf of and advances made to Asphalt Gals in prior years.

These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

13. Net assets invested in capital assets:

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

	2016	2015
Capital assets	\$ 6,997,295	\$ 7,292,077
Amounts financed by long-term debt	(3,414,223)	(3,489,706)
Amounts financed by deferred capital contributions	(1,434,713)	(1,558,343)
	\$ 2,148,359	\$ 2,244,028

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

	2016	2015
Excess (deficiency) of expenses over revenue:		
Amortization of deferred capital contributions	\$ 123,630	\$ 151,906
Amortization of capital assets	(296,382)	(294,993)
	\$ (172,752)	\$ (143,087)
Net change in invested in capital assets:		
Purchase of capital assets	\$ 1,600	\$ 46,074
Decrease of long-term debt	75,483	69,921
	\$ 77,083	\$ 115,995

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. The balance in this fund at March 31, 2016 is \$148,141 (2015 - \$148,141).

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

15. Donated 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:

	2016	2015
Total number of registered volunteers	580	532
Total hours contributed to program services	25,842	25,345
Total value of donated program services	\$ 461,545	\$ 430,859

In addition, 645 hours (2015 - 1,220 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 \$8,822 (2015 - \$8,346). 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 (2015 - \$173,650) and fair value of \$249,372 (2015 - \$255,215) as at March 31, 2016.

17. Employee Pension Plan:

The Society and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteesd pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including the investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has approximately 185,000 active members and approximately 80,000 retired members. Active members include approximately 76 employees of the Society.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

17. 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 most recent valuation as at December 31, 2012, indicated an unfunded liability of approximately \$1,370 million for basic pension benefits. The next required valuation will be as at December 31, 2015, with results available in 2016. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Society has paid \$247,070 (2015 - \$262,643) for employer contributions to the Plan in fiscal 2016.

18. Commitments and contingencies:

(a) Commitments:

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

2017	\$	30,129
2018		7,510
2019		4,392
2020		600
<hr/>		
Total	\$	42,631

(b) Contingencies:

The Society must meet certain conditions under three 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.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Notes to Financial Statements (continued)

Year ended March 31, 2016

20. 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 Society is 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 2015.

(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 2015.

(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 2015.

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Schedules of Revenue and Expenses

Year ended March 31, 2016, with comparative information for 2015

Schedule of Revenue:

	2016	2015
Provincial government:		
B.C. Ministry of Children and Family Development	\$ 737,904	\$ 728,936
B.C. Ministry of Social Development	1,439,285	1,441,430
Fraser Health Authority	449,789	432,225
B.C. Corrections	347,662	346,192
B.C. Housing Management Commission	2,182,449	2,518,636
Grants	122,500	123,207
Federal government	1,658,461	755,161
United Way	60,020	60,120
Donations	83,566	90,106
Sales and rental income	121,921	413,419
Investment income	2,396	28,475
Other income	180,525	409,454
Donated volunteer services (note 15)	461,545	430,859
	\$ 7,848,023	\$ 7,778,220

Schedule of Expenses:

	2016	2015
Communications	\$ 83,016	\$ 72,227
Consultations, training, meetings and accreditation	50,071	39,853
Donated volunteer services (note 15)	461,545	430,859
Food	254,216	276,041
Furniture, appliances and equipment	83,467	93,611
Insurance and property taxes	114,522	123,556
Office	42,544	46,892
Professional services	668,655	264,269
Program supplies and client expenses	254,767	272,931
Promotion, recruiting, dues and publications	42,438	57,267
Rent	241,114	185,300
Repairs and maintenance	175,666	125,101
Salaries and employee benefits	5,064,718	5,413,444
Travel and vehicle	188,813	172,355
Utilities, services and bank fees	193,486	186,979
	\$ 7,919,038	\$ 7,760,685



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The Elizabeth Fry Society of Greater Vancouver, which comprise the statement of financial position as at March 31, 2016, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information and expressed an unmodified opinion on the financial statements on June 23, 2016.

Opinion

Our audit was made for the purpose of forming an opinion on the financial statements of The Elizabeth Fry Society of Greater Vancouver taken as a whole. The supplementary information included in the attached statements of operations for Sheena's, Elizabeth Gurney House, Cynthia's Place and Integrated Outreach is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Restriction on Use

Our report is intended solely for The Elizabeth Fry Society of Greater Vancouver and should not be used by parties other than The Elizabeth Fry Society of Greater Vancouver and B.C. Housing Management Commission.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

June 23, 2016
Burnaby, Canada

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Operations – Sheena’s

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
B.C. Housing	\$ 685,894	\$ 815,166
Donations	102	-
Other income	-	25,100
	<u>685,996</u>	<u>840,266</u>
Expenses:		
Salaries and employee benefits	507,995	669,110
Food	32,018	31,048
Travel and vehicle	8,250	9,880
Program supplies and client expenses	23,036	18,369
Communications	4,801	4,921
Office	1,164	2,052
Repairs and maintenance	9,244	7,544
Furniture, appliances and equipment	6,061	6,057
Utilities, services and bank fees	9,490	7,515
Insurance and property taxes	6,495	5,011
Training, meetings and accreditation	8,362	12,451
Promotion, recruiting, dues and publications	1,086	1,517
Prorated administration	75,274	84,026
	<u>693,276</u>	<u>859,501</u>
Deficiency of revenue over expenses	\$ (7,280)	\$ (19,235)

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Operations – Elizabeth Gurney House

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
B.C. Housing	\$ 706,752	\$ 812,617
Donations	1,800	-
Other income	-	5,659
	<u>708,552</u>	<u>818,276</u>
Expenses:		
Salaries and employee benefits	544,152	631,066
Food	41,408	37,626
Travel and vehicle	3,037	7,314
Program supplies and client expenses	19,391	14,169
Communications	4,197	3,622
Office	2,610	2,480
Repairs and maintenance	5,744	3,007
Furniture, appliances and equipment	10,319	2,500
Utilities, services and bank fee	20,258	17,071
Insurance and property taxes	16,236	14,897
Training, meetings and accreditation	7,676	12,385
Promotion, recruiting, dues and publications	1,082	1,319
Prorated administration	77,782	81,830
	<u>753,892</u>	<u>829,286</u>
Deficiency of revenue over expenses before the undernoted	(45,340)	(11,010)
Amortization	-	(2,368)
Deficiency of revenue over expenses	<u>\$ (45,340)</u>	<u>\$ (13,378)</u>

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Operations – Cynthia's Place

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
B.C. Housing	\$ 717,043	\$ 850,783
Other income	10,000	25,117
	<u>727,043</u>	<u>875,900</u>
Expenses (recoveries):		
Salaries and employee benefits	564,413	640,496
Food	44,635	44,409
Travel and vehicle	3,944	(6,852)
Program supplies and client expenses	16,363	21,384
Communications	2,929	3,236
Office	1,159	903
Repairs and maintenance	17,845	27,826
Furniture, appliances and equipment	8,230	7,235
Utilities, services and bank fees	10,485	8,807
Insurance and property taxes	6,943	6,682
Training, meetings and accreditation	7,679	12,465
Promotion, recruiting, dues and publications	1,086	1,301
Prorated administration	80,127	88,299
	<u>765,838</u>	<u>856,191</u>
Excess (deficiency) of revenue over expenses before the undernoted	(38,795)	19,709
Interest on long-term debt	(6,328)	(6,708)
Amortization of deferred capital contributions	22,076	12,679
Amortization	(16,612)	(16,612)
Excess (deficiency) of revenue over expenses	<u>\$ (39,659)</u>	<u>\$ 9,068</u>

THE ELIZABETH FRY SOCIETY OF GREATER VANCOUVER

Statement of Operations – Integrated Outreach

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
B.C. Housing	\$ 30,000	\$ 30,000
Other income	30,410	27,808
	<u>60,410</u>	<u>57,808</u>
Expenses:		
Salaries and employee benefits	18,363	25,177
Program supplies and client expenses	29,942	26,714
Rent	6,000	-
Travel and vehicle	1,897	2,398
Communications	8	35
Repairs and maintenance	4	12
Furniture, appliances and equipment	-	5
Insurance and property taxes	55	338
Training, meetings and accreditation	316	448
Promotion, recruiting, dues and publications	53	99
Prorated administration	3,124	3,736
	<u>59,762</u>	<u>58,962</u>
Excess (deficiency) of revenue over expenses	\$ 648	\$ (1,154)