

**Archway Society for Domestic  
Peace  
Financial Statements  
For the Year Ended March 31, 2020**

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Financial Statements  
For the Year Ended March 31, 2020**

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**Contents**

<b>Independent Auditor's Report</b>	2 - 4
<b>Financial Statements</b>	
Statement of Financial Position	5
Statement of Changes in Net Assets	6
Statement of Operations	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 19



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## Independent Auditor's Report

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To the board of directors of Archway Society for Domestic Peace

### Qualified Opinion

We have audited the financial statements of Archway Society for Domestic Peace (the Society), which comprise the statement of financial position as at March 31, 2020, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2020, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2020 and 2019, and current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the effects of this limitation in scope.

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 report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

#### **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 these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We 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 principles in Canadian accounting standards for not-for-profit organizations have been applied, on a basis consistent with that of the preceding year.

*BDO Canada LLP*

Chartered Professional Accountants

Vernon, British Columbia  
June 22, 2020

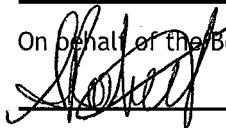
## Archway Society for Domestic Peace Statement of Financial Position

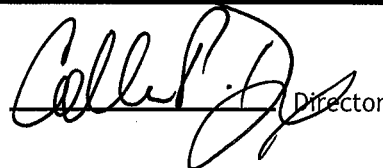
March 31	2020	2019
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ -	\$ 98,147
Investments (Note 4)	369,668	462,819
Accounts receivable	53,258	87,794
Prepaid expenses	13,721	19,533
	436,647	668,293
Restricted cash and investments (Note 3)	167,736	127,473
Investments (Note 4)	133,739	37,388
Property, plant and equipment (Note 5)	770,305	745,991
	\$ 1,508,427	\$ 1,579,145

### Liabilities and Net Assets

<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 140,837	\$ 213,336
Unearned revenue	2,800	-
	143,637	213,336
Deferred contributions for expenses of future periods (Note 7)	167,736	127,473
Deferred contributions for property, plant and equipment (Note 8)	451,115	412,002
	762,488	752,811
<b>Net Assets</b>		
Invested in property, plant & equipment	319,189	333,989
Internally restricted (Note 9)	315,417	310,896
Unrestricted	111,333	181,449
	745,939	826,334
	\$ 1,508,427	\$ 1,579,145

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The accompanying notes are an integral part of these financial statements.

**Archway Society for Domestic Peace  
Statement of Changes in Net Assets**

For the year ended March 31	Invested in Property, Plant & Equipment	Internally Restricted	Unrestricted	2020 Total	2019 Total
Balance, beginning of the year	\$ 333,989	\$ 310,896	\$ 181,449	\$ 826,334	\$ 724,628
Excess (deficiency) of revenues over expenses	(42,409)	4,521	(42,507)	(80,395)	101,706
Purchase of property, plant and equipment	94,584	-	(94,584)	-	-
Contributions received	(66,975)	-	66,975	-	-
Balance, end of the year	\$ 319,189	\$ 315,417	\$ 111,333	\$ 745,939	\$ 826,334

The accompanying notes are an integral part of these financial statements.

## Archway Society for Domestic Peace Statement of Operations

For the year ended March 31

2020

2019

### Revenue

BC Housing	\$ 1,017,949	\$ 996,885
Minister of Justice	569,693	532,467
Ministry of Children and Family Development	196,643	193,641
Federal Government	153,001	171,677
Donations	110,939	162,258
Fundraising	66,232	66,633
Gaming	38,300	38,300
Amortization of deferred capital contributions (Note 8)	20,866	28,826
Legal Services Society Grant	14,257	14,257
Summer student grant	8,259	10,229
Interest	8,348	5,436
Other grants	16,419	3,650
Miscellaneous	3,388	1,250
Casimir Court, net (Note 13)	(1,421)	14,294
	<u>2,222,873</u>	<u>2,239,803</u>

### Expenses

Advertising and promotion	25,357	4,619
Amortization	60,452	45,092
Client support	111,741	113,080
Food and supplies	29,102	24,472
Fundraising	34,576	30,121
Insurance	13,561	9,844
Interest and bank charges	2,622	2,619
Office and information technology	78,117	74,410
Professional development	16,053	15,555
Professional fees	57,135	74,125
Program materials	1,040	1,588
Rent	59,158	62,086
Repairs and maintenance	18,978	27,876
Telephone and utilities	60,820	49,571
Travel	25,292	17,713
Volunteer	206	303
Wages and benefits	1,709,058	1,585,023
	<u>2,303,268</u>	<u>2,138,097</u>

<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (80,395)</b>	<b>\$ 101,706</b>
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The accompanying notes are an integral part of these financial statements.



## Archway Society for Domestic Peace Statement of Cash Flows

For the year ended March 31	2020	2019
<b>Cash flows from operating activities</b>		
Cash receipts from customers	\$ 2,326,066	\$ 2,186,332
Cash paid to suppliers and employees	(2,363,749)	(2,080,318)
Interest received	10,608	6,550
	<u>(27,075)</u>	<u>112,564</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(509,530)	(500,207)
Proceeds on disposal of investments	500,207	443,660
Acquisition of property and equipment	(94,584)	(93,758)
Contributions received	66,975	35,706
	<u>(36,932)</u>	<u>(114,599)</u>
<b>Net decrease in cash</b>	<b>(64,007)</b>	<b>(2,035)</b>
<b>Cash, beginning of the year</b>	<b>225,620</b>	<b>227,655</b>
<b>Cash, end of the year</b>	<b>\$ 161,613</b>	<b>\$ 225,620</b>
<b>Represented by:</b>		
Cash	\$ -	\$ 98,147
Restricted cash (Note 3)	161,613	127,473
	<u>\$ 161,613</u>	<u>\$ 225,620</u>

The accompanying notes are an integral part of these financial statements.

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## Archway Society for Domestic Peace Notes to Financial Statements

**March 31, 2020**

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### 1. Significant Accounting Policies

<b>Nature of Operation</b>	The Archway Society for Domestic Peace (the "Society") is incorporated under the laws of the British Columbia Societies Act and is a registered charity under the Income Tax Act. The Society is engaged to provide support and refuge for women and children in Vernon and surrounding area in times of crisis and to act as advocates when required. The Society also operates Casimir Court Apartments where counselling and accommodation is provided for young mothers.
<b>Basis of Accounting</b>	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
<b>Use of Estimates</b>	The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available.
<b>Financial Instruments</b>	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported either at cost or amortized cost less impairment. If applicable, financial instruments are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instruments.
<b>Cash</b>	Cash consists of cash on hand and bank balances.

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## Archway Society for Domestic Peace Notes to Financial Statements

**March 31, 2020**

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### 1. Significant Accounting Policies (continued)

#### Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed property, plant and equipment are recorded at nominal value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of property, plant and equipment are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	<b>Method</b>	<b>Rate</b>
Building	Straight-line	30 years
Automotive	Straight-line	5 years
Furniture and fixtures	Straight-line	5 years
Computer equipment	Straight-line	3 years
Leasehold improvements	Straight-line	5-10 years

#### Leased Assets

Leases are classified as capital or operating leases. Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with assets owned by the Society, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

#### Revenue Recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donation and fundraising revenues are recognized as revenue in the year in which the related expenses are incurred. Unrestricted donation and fundraising revenues are recognized as revenue when earned.

Rental revenue is recognized as revenue when the period in which the rent was received is complete.

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**Archway Society for Domestic Peace  
Notes to Financial Statements**

**March 31, 2020**

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**1. Significant Accounting Policies (continued)**

**Contributed Materials**      Contributed materials which are used in the normal course of the Society's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

**Contributed Services**      Volunteers contribute many hours per year to assist the Society in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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## Archway Society for Domestic Peace Notes to Financial Statements

**March 31, 2020**

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### 2. Cash

The Society has available to it, through VantageOne Credit Union, a \$35,000 line of credit to assist with operations. If drawn on, the line of credit bears interest at prime plus 1.0%. The outstanding balance at March 31, 2020 was \$nil (2019 - \$nil).

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### 3. Restricted Cash and Investments

	2020	2019
<b>Externally restricted</b>		
Child Advocacy Centre	\$ 71,451	\$ 29,700
Prevention and Awareness	18,000	18,000
Risk Assessment Program	17,853	15,353
Casimir Court	13,660	13,660
Equine Therapy	8,828	11,666
Stopping the Violence	3,388	10,626
Vernon Law Clinic	6,000	6,000
Women's Outreach	2,500	5,000
Ministry of Justice	11,544	4,416
Pleasant Valley	6,453	3,953
Children Who Witness Abuse	-	2,848
Support to Young Parents	2,130	2,130
Sexual Assault Service	529	2,121
Transition House	-	1,600
Legal Services Outreach	400	400
Administration	5,000	-
	<b>\$ 167,736</b>	<b>\$ 127,473</b>
 Consisting of:		
Restricted cash	161,613	127,473
Restricted investments	6,123	-
	<b>\$ 167,736</b>	<b>\$ 127,473</b>

Externally restricted cash and investments consists of unspent contributions which are restricted for their use and can only be used for the specified programs.

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## Archway Society for Domestic Peace Notes to Financial Statements

**March 31, 2020**

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### 4. Investments

The carrying amounts of investments are comprised of the following:

	2020	2019
At amortized cost:		
Guaranteed investment certificates, bearing interest at 1.50% to 2.42%, maturing between June 2020 and February 2022	\$ 424,731	\$ 500,207
At fair value:		
Mutual funds	84,799	-
	\$ 509,530	\$ 500,207
<b>Investments are allocated as follows:</b>		
Current	\$ 369,668	\$ 462,819
Long term	133,739	37,388
Restricted (Note 3)	6,123	-
	\$ 509,530	\$ 500,207

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## Archway Society for Domestic Peace Notes to Financial Statements

March 31, 2020

### 5. Property, Plant and Equipment

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
<b>Transition House</b>				
Land	\$ 36,400	\$ -	\$ 36,400	\$ -
Buildings	823,311	415,364	773,332	388,753
Automotive	8,000	8,000	8,000	8,000
Computer equipment	94,135	64,818	87,041	45,456
Furniture and fixtures	120,630	109,230	120,630	98,304
Leasehold improvements	9,907	9,907	9,907	9,907
	<b>1,092,383</b>	<b>607,319</b>	<b>1,035,310</b>	<b>550,420</b>
<b>Casimir Court</b>				
Land	\$ 88,200	\$ -	\$ 88,200	\$ -
Building	310,485	200,890	278,605	191,072
Furniture and fixtures	18,793	18,793	18,793	18,793
	<b>417,478</b>	<b>219,683</b>	<b>385,598</b>	<b>209,865</b>
<b>Administration</b>				
Leasehold improvements	107,576	20,130	101,944	16,576
<b>Net book value</b>	<b>\$ 770,305</b>		<b>\$ 745,991</b>	

### 6. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$10,514 (2019 - \$21,139).

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**Archway Society for Domestic Peace  
Notes to Financial Statements**

**March 31, 2020**

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**7. Deferred Contributions for Expenses of Future Periods**

Deferred contributions represent unspent resources externally restricted for various purpose. Changes in the deferred contributions balance are as follows:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 127,473	\$ 204,946
Less: amounts recognized as revenue in the year	(664,689)	(672,884)
Add: amounts received related to expenses of a subsequent period	<u>704,952</u>	<u>595,411</u>
Ending balance	<u>\$ 167,736</u>	<u>\$ 127,473</u>

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## Archway Society for Domestic Peace Notes to Financial Statements

March 31, 2020

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### 8. Deferred Contributions for Property, Plant and Equipment

#### Transition House

In December 2016, BC Housing provided a mortgage forgivable over a ten year period beginning in the first year of the mortgage. Monies were advanced in the March 31, 2017, 2018 and 2019 fiscal years totaling \$140,300. At March 31, 2020, \$94,703 (2019 - \$108,733) of the total \$140,300 in funding received is to be forgiven in future years.

Contributions were received relating to capital improvements to the Transition Housing building. These contributions have been deferred and are being amortized with the building additions over 30 years.

The amount amortized to revenue in the general operating statement in the current year is \$20,866 (2019 - \$28,826).

#### Casimir Court

Contributions were received relating to capital improvements to the Casimir Court building. These contributions have been deferred and are being amortized with the building additions over 30 years.

The changes for the year in the deferred revenue in the Casimir Court operating statement in the current year is \$6,996 (2019 - \$18,173).

The changes for the year in the deferred contributions related for property, plant and equipment are as follows:

	<u>2020</u>		<u>2019</u>
Beginning balance	\$ 412,002	\$	423,295
Add: contributions	66,975		35,706
Less: amounts amortized to revenue	<u>(27,862)</u>		<u>(46,999)</u>
Ending balance	<u>\$ 451,115</u>	\$	<u>412,002</u>

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## Archway Society for Domestic Peace Notes to Financial Statements

**March 31, 2020**

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### 9. Internally Restricted Net Assets

#### Building Trust Fund

All funds received in the Project Haven Fund after June 30, 1994 are being held in trust for future expenditures for the buildings owned by the Society. All interest earned on the building trust fund investments are allocated back to the fund unless otherwise specified by the Board.

#### Future Expenditures

During a prior year the Board of Directors passed a resolution to internally restrict funds of \$20,000 for specific expenditures of various programs in future years. No amounts were utilized in the current year.

#### Oak Centre

During a prior year the Board of Directors passed a resolution to internally restrict funds specifically for future expenditures related to the operation of the Oak Centre, which provides advocacy and support services for children youth that have experienced abuse, sexual assault, or witnessed violent crime.

A breakdown of the internally restricted funds are as follows:

	<u>2020</u>	<u>2019</u>
Building trust fund	\$ 166,008	\$ 161,487
Future expenditure	122,500	122,500
Oak Centre	26,909	26,909
	<u>\$ 315,417</u>	<u>\$ 310,896</u>

In order to utilize the internally restricted funds a Board resolution is required.

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### 10. Economic Dependence

The Society receives 80% (2019 - 77%) of its funding from the Province of British Columbia through the Ministries of Children and Family Development, Finance, Justice and the Crown Corporation of BC Housing. The ability of the Society to continue operations is dependent upon continued funding from these sources.

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## Archway Society for Domestic Peace Notes to Financial Statements

**March 31, 2020**

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### 11. Financial Instruments

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Society's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the Society's receivables are from government sources and the Society works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments

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### 12. Commitments

The Society has operating leases for photocopiers and commercial office space. The minimum annual lease payments are as follows:

2021	\$	31,200
2022		3,300
2023		1,325

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## Archway Society for Domestic Peace Notes to Financial Statements

**March 31, 2020**

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**13. Casimir Court, net**

	2020	2019
<b>Revenue</b>		
Suite rental	\$ 38,388	\$ 37,923
Office rental	10,800	10,800
Amortization of deferred contributions (Note 8)	6,996	18,173
Interest Revenue	2,260	1,114
	58,444	68,010
<b>Expenses</b>		
Administration	15,000	15,000
Amortization	9,818	9,235
Insurance	3,406	3,750
Office	870	656
Professional fees	74	-
Repairs and maintenance	9,159	5,149
Telephone and utilities	11,379	16,369
Wages and benefits	14,359	7,757
	64,065	57,916
<b>Excess (deficiency) of revenues over expenses, before internal adjustments</b>	(5,621)	10,094
<b>Reversal of internal adjustments:</b>		
Office rental revenue	(10,800)	(10,800)
Administration expense	15,000	15,000
	\$ (1,421)	\$ 14,294

Internal adjustments on the Casimir Court operations statement are for revenues and expenses charged between the Transition House and Casimir Court. These amounts are netted to zero upon consolidating operations, but are included on the Casimir Court operations statement to provide more information to the users of the financial statements.

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