

**Archway Society for Domestic
Peace
Financial Statements
For the Year Ended March 31, 2021**

**Archway Society for Domestic Peace
Financial Statements
For the Year Ended March 31, 2021**

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Independent Auditor's Report

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, 2021, 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, 2021, 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, 2021 and 2020, and current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2021 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 21, 2021

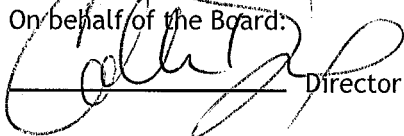
Archway Society for Domestic Peace Statement of Financial Position

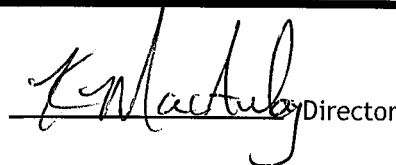
March 31	2021	2020
Assets		
Current		
Cash (Note 2)	\$ 148,347	\$ -
Investments (Note 4)	460,521	369,668
Accounts receivable	23,172	53,258
Prepaid expenses	20,205	13,721
	652,245	436,647
Restricted cash and investments (Note 3)	447,915	167,736
Investments (Note 4)	54,360	133,739
Property, plant and equipment (Note 5)	749,841	770,305
	\$ 1,904,361	\$ 1,508,427

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities (Note 6)	\$ 144,477	\$ 140,837
Unearned revenue	-	2,800
	144,477	143,637
Deferred contributions for expenses of future periods (Note 7)	447,915	167,736
Deferred contributions for property, plant and equipment (Note 8)	445,320	451,115
	1,037,712	762,488
Net Assets		
Invested in property, plant & equipment	304,521	319,189
Internally restricted (Note 9)	318,271	315,417
Unrestricted	243,857	111,333
	866,649	745,939
	\$ 1,904,361	\$ 1,508,427

On behalf of the Board:


Director


Director

**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	2021 Total	2020 Total
Balance, beginning of the year	\$ 319,189	\$ 315,417	\$ 111,333	\$ 745,939	\$ 826,334
Excess (deficiency) of revenues over expenses	(37,878)	2,854	155,734	120,710	(80,395)
Purchase of property, plant and equipment	49,983	-	(49,983)	-	-
Contributions received	(26,773)	-	26,773	-	-
Balance, end of the year	\$ 304,521	\$ 318,271	\$ 243,857	\$ 866,649	\$ 745,939

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

2021

2020

Revenue

BC Housing	\$ 1,103,723	\$ 1,017,949
Minister of Justice	689,327	569,693
Donations	251,231	110,939
Ministry of Children and Family Development	191,277	196,643
Federal Government	185,018	153,001
Other grants	141,943	16,419
Gaming	41,804	38,300
Amortization of deferred capital contributions (Note 8)	25,574	20,866
Legal Services Society Grant	14,257	14,257
Fundraising	12,888	66,232
Summer student grant	7,586	8,259
Miscellaneous	4,985	3,388
Interest	3,924	8,348
Casimir Court, net (Note 13)	(627)	(1,421)
	<u>2,672,910</u>	<u>2,222,873</u>

Expenses

Advertising and promotion	8,790	25,357
Amortization	60,098	60,452
Client support	140,472	111,741
Food and supplies	22,453	29,102
Fundraising	7,756	34,576
Insurance	12,590	13,561
Interest and bank charges	2,888	2,622
Office and information technology	114,826	78,117
Professional development	9,283	16,053
Professional fees	54,967	57,135
Program materials	4,634	1,040
Rent	58,271	59,158
Repairs and maintenance	22,512	18,978
Telephone and utilities	62,790	60,820
Travel	4,158	25,292
Volunteer	42	206
Wages and benefits	1,965,670	1,709,058
	<u>2,552,200</u>	<u>2,303,268</u>

Excess (deficiency) of revenues over expenses	\$ 120,710	\$ (80,395)
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Archway Society for Domestic Peace Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from operating activities		
Cash receipts from customers	\$ 3,000,247	\$ 2,326,066
Cash paid to suppliers and employees	(2,542,390)	(2,363,749)
Interest received	5,351	10,608
	463,208	(27,075)
Cash flows from investing activities		
Purchase of investments	(514,881)	(509,530)
Proceeds on disposal of investments	509,530	500,207
Acquisition of property and equipment	(49,982)	(94,584)
Contributions received	26,774	66,975
	(28,559)	(36,932)
Net increase (decrease) in cash	434,649	(64,007)
Cash, beginning of the year	161,613	225,620
Cash, end of the year	\$ 596,262	\$ 161,613
Represented by:		
Cash	\$ 148,347	\$ -
Restricted cash (Note 3)	447,915	161,613
	\$ 596,262	\$ 161,613

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

Archway Society for Domestic Peace Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies

Nature of Operation	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.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Use of Estimates	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.
Financial Instruments	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.
Cash	Cash consists of cash on hand and bank balances.

Archway Society for Domestic Peace Notes to Financial Statements

March 31, 2021

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:

	Method	Rate
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.

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

March 31, 2021

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.

Archway Society for Domestic Peace Notes to Financial Statements

March 31, 2021

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, 2021 was \$Nil (2020 - \$Nil).

3. Restricted Cash and Investments

	2021	2020
Externally restricted		
Child Advocacy Centre	\$ 126,413	\$ 71,451
Administration	100,382	5,000
Sexual Assault Service	28,040	529
Ministry of Justice	25,550	11,544
Stopping the Violence	23,510	3,388
Casimir Court	23,160	13,660
Risk Assessment Program	21,553	17,853
Prevention and Awareness	20,000	18,000
Equine Therapy	18,550	8,828
Support to Young Parents	16,130	2,130
Transition House	12,495	-
Family Therapy	11,660	-
Homeless Prevention	8,805	-
Pleasant Valley	6,453	6,453
Peace	4,724	-
Legal Services Outreach	400	400
Women's Outreach	90	2,500
Vernon Law Clinic	-	6,000
	447,915	167,736
Consisting of:		
Restricted cash	447,915	161,613
Restricted investments	-	6,123
	\$ 447,915	\$ 167,736

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

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

March 31, 2021

4. Investments

The carrying amounts of investments are comprised of the following:

	<u>2021</u>	<u>2020</u>
At amortized cost:		
Guaranteed investment certificates, bearing interest at 0.60% to 1.90%, maturing between April 2021 and August 2022	\$ 368,381	\$ 424,731
At fair value:		
Mutual funds	<u>146,500</u>	<u>84,799</u>
	<u>\$ 514,881</u>	<u>\$ 509,530</u>
Investments are allocated as follows:		
Current	\$ 460,521	\$ 369,668
Long term	54,360	133,739
Restricted (Note 3)	-	6,123
	<u>\$ 514,881</u>	<u>\$ 509,530</u>

Archway Society for Domestic Peace Notes to Financial Statements

March 31, 2021

5. Property, Plant and Equipment

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Transition House				
Land	\$ 36,400	\$ -	\$ 36,400	\$ -
Buildings	826,935	442,868	823,311	415,364
Automotive	29,506	10,151	8,000	8,000
Computer equipment	114,551	86,189	94,135	64,818
Furniture and fixtures	123,123	114,522	120,630	109,230
Leasehold improvements	9,907	9,907	9,907	9,907
	1,140,422	663,637	1,092,383	607,319
Casimir Court				
Land	\$ 88,200	\$ -	\$ 88,200	\$ -
Building	310,485	211,240	310,485	200,890
Furniture and fixtures	18,793	18,793	18,793	18,793
	417,478	230,033	417,478	219,683
Administration				
Furniture and fixtures	\$ 1,945	\$ 194	\$ -	\$ -
Leasehold improvements	107,576	23,716	107,576	20,130
	109,521	23,910	107,576	20,130
Net book value	\$ 749,841		\$ 770,305	

6. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$6,940 (2020 - \$10,514).

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

March 31, 2021

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>2021</u>	<u>2020</u>
Beginning balance	\$ 167,736	\$ 127,473
Less: amounts recognized as revenue in the year	(995,949)	(664,689)
Add: amounts received related to expenses of a subsequent period	<u>1,276,128</u>	<u>704,952</u>
Ending balance	<u>\$ 447,915</u>	<u>\$ 167,736</u>

Archway Society for Domestic Peace Notes to Financial Statements

March 31, 2021

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, 2019 and 2020 fiscal years totaling \$140,300. At March 31, 2021, \$80,673 (2020 - \$94,703) 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 \$25,574 (2020 - \$20,866).

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 (2020 - \$6,996).

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

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 451,115	\$ 412,002
Add: contributions	26,774	66,975
Less: amounts amortized to revenue	<u>(32,569)</u>	<u>(27,862)</u>
Ending balance	<u>\$ 445,320</u>	<u>\$ 451,115</u>

Archway Society for Domestic Peace Notes to Financial Statements

March 31, 2021

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>2021</u>	<u>2020</u>
Building trust fund	\$ 168,862	\$ 166,008
Future expenditure	122,500	122,500
Oak Centre	26,909	26,909
	<u>\$ 318,271</u>	<u>\$ 315,417</u>

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

10. Economic Dependence

The Society receives 78% (2020 - 80%) 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.

Archway Society for Domestic Peace Notes to Financial Statements

March 31, 2021

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

12. Commitments

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

2022	\$	31,200
2023		2,525

Archway Society for Domestic Peace Notes to Financial Statements

March 31, 2021

13. Casimir Court, net

	2021	2020
Revenue		
Suite rental	\$ 40,151	\$ 38,388
Office rental	10,800	10,800
Amortization of deferred contributions (Note 8)	6,996	6,996
Interest Revenue	1,427	2,260
	59,374	58,444
Expenses		
Administration	8,592	15,000
Amortization	10,350	9,818
Insurance	3,000	3,406
Office	-	870
Professional fees	-	74
Repairs and maintenance	4,414	9,159
Telephone and utilities	11,630	11,379
Wages and benefits	19,807	14,359
	57,793	64,065
Excess (deficiency) of revenues over expenses, before internal adjustments	1,581	(5,621)
Reversal of internal adjustments:		
Office rental revenue	(10,800)	(10,800)
Administration expense	8,592	15,000
	(2,208)	(621)
Excess (deficiency) of revenue over expenses	\$ (627)	\$ (1,421)

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.
