Archway Society for Domestic Peace
Financial Statements
For the Year Ended March 31, 2024

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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, 2024, 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, 2024, 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, 2024 and 2023, and current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2024 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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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 24 , 2024

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Archway Society for Domestic Peace
Statement of Financial Position

March 31	2024	2023
Assets		
Current		
Investments (Note 4)	$ 417,255	$ 393,163
Accounts receivable	41,856	123,466
Prepaid expenses	43,408	30,818
	502,519	547,447
Restricted cash and investments (Note 3)	290,317	619,546
Investments (Note 4)	151,942	239,186
Property, plant and equipment (Note 5)	1,532,115	1,571,965
	$ 2,476,893	$ 2,978,144
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 6)	$ 322,356	$ 490,596
Deferred revenue	21,355	-
Current portion of long term debt (Note 7)	38,045	36,940
	381,756	527,536
Long-term debt (Note 7)	514,833	551,600
Deferred contributions for expenses of future periods (Note 8)	310,317	619,546
Deferred contributions for property, plant and equipment (Note 9)	389,165	437,581
	1,596,071	2,136,263
Net Assets		
Invested in property, plant and equipment	572,174	545,944
Internally restricted (Note 10)	311,871	304,629
Unrestricted	(3,223)	(8,692)
	880,822	841,881
	$ 2,476,893	$ 2,978,144

On behalf of the Board:

Signed by: Claire Finch 07F5DEB591DD404... Director

DocuSigned by: Colleen Dix 4AD456B7520F451... 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	2024 Total	2023 Total
Balance, beginning of the year	**$ 545,944**	**$ 304,629**	**$ (8,692)**	**$ 841,881**	$ 833,565
Excess (deficiency) of revenues over expenses	**(48,781)**	**7,242**	**80,480**	**38,941**	8,316
Purchase of property, plant and equipment	**39,349**	**-**	**(39,349)**	**-**	-
Long term debt principal repayments	**35,662**	**-**	**(35,662)**	**-**	-
Balance, end of the year	**$ 572,174**	**$ 311,871**	**$ (3,223)**	**$ 880,822**	$ 841,881

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	2024	2023
Revenue		
BC Housing	**$ 1,335,697**	$ 1,200,420
Minister of Justice	**1,118,300**	835,828
Donations	**145,598**	192,150
Ministry of Children and Family Development	**239,560**	225,596
Federal Government	**241,969**	328,622
Other grants	**549,610**	466,796
Regional District of the North Okanagan	**126,293**	125,150
Gaming	**43,775**	43,515
Amortization of deferred capital contributions (Note 9)	**42,255**	37,053
Legal Aid BC	**16,723**	17,251
Fundraising	**29,630**	12,924
Miscellaneous	**5,306**	2,741
Interest	**22,116**	1,915
Summer student grant	**10,416**	-
Casimir Court, net (Note 14)	**(2,790)**	(4,434)
	3,924,458	3,485,527
Expenses		
Advertising and promotion	**8,342**	14,003
Amortization	**87,110**	80,163
Client support	**145,652**	156,871
Food and supplies	**46,443**	40,661
Fundraising	**9,593**	6,799
Insurance	**32,459**	28,228
Interest and bank charges	**24,610**	24,155
Office and information technology	**181,959**	115,170
Professional development	**64,686**	53,433
Professional fees	**75,343**	117,757
Program materials	**18,706**	16,565
Rent	**24,572**	11,464
Repairs and maintenance	**36,084**	26,078
Telephone and utilities	**65,009**	78,048
Travel	**35,631**	22,129
Volunteer	**346**	474
Wages and benefits	**3,028,972**	2,685,213
	3,885,517	3,477,211
Excess of revenues over expenses	**$ 38,941**	$ 8,316

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	2024	2023
Cash flows from operating activities		
Cash receipts from customers	**$ 3,719,942**	$ 3,345,331
Cash paid to suppliers and employees	**(4,043,049)**	(3,187,935)
Interest received	**25,737**	6,264
	(297,370)	163,660
Cash flows from investing activities		
Purchase of investments	**(627,250)**	(643,482)
Proceeds on disposal of investments	**643,482**	514,721
Acquisition of property and equipment	**(59,349)**	(94,199)
Contributions received	**-**	49,727
	(43,117)	(173,233)
Cash flows from financing activities		
Repayment of long-term debt	**(35,662)**	(34,733)
	(35,662)	(34,733)
Net decrease in cash	**(376,149)**	(44,306)
Cash, beginning of the year	**608,413**	652,719
Cash, end of the year	**$ 232,264**	$ 608,413
Represented by:		
Restricted cash (Note 3)	**$ 232,264**	$ 608,413

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

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.

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

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.

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.

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, 2024 was $Nil (2023 - $Nil).

3. Restricted Cash and Investments

	2024	2023
Externally restricted		
Child Advocacy Centre	**$ 16,200**	$ 19,686
Administration	**23,336**	44,071
Sexual Assault Service	**2,404**	-
Community Based Victim Services	**-**	51,789
Stopping the Violence	**13,633**	-
Casimir Court	**-**	9,500
Risk Assessment Program	**16,300**	19,049
Prevention and Awareness	**29,286**	83,022
Equine Therapy	**1,242**	21,400
Support to Young Parents	**21,130**	40,675
Transition House	**37,719**	123,647
Family Therapy	**-**	49,000
Homeless Prevention	**40,239**	-
Pleasant Valley	**-**	6,452
Peace	**1,489**	33,727
Vernon Alliance Comm Initiative	**1,665**	-
Police Based Victim Services	**51,557**	24,850
Women's Outreach	**34,117**	3,838
Pacific Elizabeth Fry Societies	**-**	$ 88,840
	$ 290,317	$ 619,546
Consisting of:		
Restricted cash	**$ 232,264**	$ 608,413
Restricted investments	**58,053**	11,133
	$ 290,317	$ 619,546

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

4. Investments

The carrying amounts of investments are comprised of the following:

	2024	2023
At amortized cost:		
Guaranteed investment certificates, bearing interest at 1.75% to 5.48%, maturing between April 2024 and February 2027	**$ 627,236**	$ 612,419
At cost:		
Investment savings accounts	**14**	1
At fair value:		
Mutual funds	**-**	31,062
	$ 627,250	$ 643,482
Investments are allocated as follows:		
Current	**$ 417,255**	$ 393,163
Long term	**151,942**	239,186
Restricted (Note 3)	**58,053**	11,133
	$ 627,250	$ 643,482

5. Property, Plant and Equipment

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Transition House				
Automotive	**$ 21,506**	**$ 15,054**	$ 21,506	$ 10,753
Buildings	**829,067**	**525,668**	829,067	498,033
Computer equipment	**124,210**	**103,818**	123,220	87,535
Furniture and fixture	**75,126**	**64,528**	72,493	60,532
Land	**36,400**	**-**	36,400	-
	1,086,309	**709,068**	1,082,686	656,853
Casimir Court				
Building	**$ 333,711**	**$ 243,567**	$ 332,016	$ 232,773
Furniture and fixtures	**9,266**	**1,658**	3,658	366
Land	**88,200**	**-**	88,200	-
	431,177	**245,225**	423,874	233,139
Administration				
Building	**$ 734,351**	**$ 85,822**	$ 734,351	$ 61,472
Furniture and fixtures	**32,582**	**10,858**	28,064	4,793
Computer equipment	**1,348**	**225**	-	-
Land	**259,247**	**-**	259,247	-
Leasehold improvements	**42,555**	**4,256**	-	-
	1,070,083	**101,161**	1,021,662	66,265
Net book value		**$ 1,532,115**		$ 1,571,965

6. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of $25,707 (2023 - $16,084).

7. Long Term Debt

	2024	2023
Vantage One mortgage, with blended monthly payments of $4,880, with an interest rate of 2.95%, maturing October 2026, secured by specific property.	**$ 552,878**	$ 588,540
Current portion	**(38,045)**	(36,940)
Long-term portion of debt	**$ 514,833**	$ 551,600

Principal repayments on long term debt over the next three years are as follows:

2025	$ 38,045
2026	39,183
2027	475,650
	$ 552,878

8. 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:

	2024	2023
Beginning balance	**$ 619,546**	$ 642,914
Less: amounts recognized as revenue in the year	**(2,055,621)**	(1,746,602)
Add: amounts received related to expenses of a subsequent period	**1,746,392**	1,723,234
Ending balance	**$ 310,317**	$ 619,546

9. 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 March 31, 2017, 2018, 2019 and 2020 fiscal years totaling $140,300. At March 31, 2024, $38,583 (2023 - $52,613) 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 $42,255 (2023 - $37,053).

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 $6,161 (2023 - $6,161).

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

	2024	2023
Beginning balance	**$ 437,581**	$ 431,068
Add: contributions	**-**	49,727
Less: amounts amortized to revenue	**(48,416)**	(43,214)
Ending balance	**$ 389,165**	$ 437,581

10. 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
In previous years the Board of Directors passed resolutions to internally restrict funds of $122,500 for specific expenditures of various programs in future years. No amounts were utilized in the current year.

Oak Centre
In a previous 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:

	2024	2023
Building trust fund	**$ 181,462**	$ 174,220
Future expenditure	**122,500**	122,500
Oak Centre	**7,909**	7,909
	$ 311,871	$ 304,629

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

11. Economic Dependence

The Society receives 69% (2023 - 68%) 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.

12. 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

13. Commitments

The Society has operating leases for photocopiers and has a lease agreement for office space in Armstrong. The minimum annual lease payments are as follows:

2025	$	20,200
2026		20,200
2027		20,200
2028		20,200
2029		7,833

14. Casimir Court, net

	2024	2023
Revenue		
Suite rental	**$ 45,508**	$ 38,215
Office rental	**10,800**	10,800
Amortization of deferred contributions (Note 9)	**6,161**	6,161
Interest revenue	**3,621**	4,349
Other grants	**10,244**	-
Donations	**11,653**	14,806
Realized Exchange Gain	**$ -**	$ 400
	87,987	74,731
Expenses		
Administration	**8,010**	7,133
Advertising	**164**	-
Amortization	**12,086**	11,312
Insurance	**1,887**	1,723
Office	**2,099**	1,692
Repairs and maintenance	**12,423**	9,630
Telephone and utilities	**21,553**	22,936
Wages and benefits	**29,765**	21,072
	87,987	75,498
Excess (deficiency) of revenues over expenses, before internal adjustments	**-**	(767)
Reversal of internal adjustments:		
Office rental revenue	**(10,800)**	(10,800)
Administration expense	**8,010**	7,133
Excess (deficiency) of revenue over expenses	**$ (2,790)**	$ (4,434)

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.

15. Employee Pension Plan

The Association and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteed pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2021, the Plan has about 227,000 active members and approximately 118,000 retired members.

The most recent actuarial valuation as at December 31, 2021, indicated a $3,761 million funding surplus for basic pension benefits. The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Society paid $174,212 (2023 - $134,739) for employer contributions to the Plan in fiscal 2024.

16. Salaries, Honoraria and Benefits

During the year, the Society paid ten employees (2023 - seven) in excess of $75,000. Total salaries, honoraria and benefits paid was $872,217 (2023 - $568,939). The Society does not provide remuneration to its Board of Directors.