Atira Women's Resource Society

Non-Consolidated Financial Statements

For the year ended March 31, 2023

Contents

For the year ended March 31, 2023

To the Members of Atira Women's Resource Society:

Report on the Audit of the Non-Consolidated Financial Statements

Opinion

We have audited the non-consolidated financial statements of Atira Women's Resource Society (the "Society"), which comprise the non-consolidated statement of financial position as at March 31, 2023, and the non-consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Society as at March 31, 2023, and the results of its non-consolidated operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

We have audited the non-consolidated financial statements of Atira Women's Resource Society (the "Society"), which comprise the non-consolidated statements of financial position as at March 31, 2023 and March 31, 2022, and the non-consolidated statements of operations, changes in net assets and cash flows for the years then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Society as at March 31, 2023 and March 31, 2022, and the results of its non-consolidated operations and its non-consolidated cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated 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 non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the non-consolidated financial statements, which indicates that the Society has a working capital deficiency of $30,715,720 (2022 - working capital deficiency of $20,966,381). In addition, we draw attention to Note 3 which indicates that measurement uncertainty is present in relation to the accrued BCHMC payable as presented in the statement of financial position and the BCHMC recovery (expense) in the statement of operations. As stated in Note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Society's ability to continue as a going concern, and the Society's plans to mitigate such an event. The Society remains operational in June 2025. Our opinion is not modified in respect of these matters.

The non-consolidated financial statement for the year ended March 31, 2022 were audited by another auditor who expressed a qualified opinion on those statements on October 8, 2024. The predecessor auditor concluded that the completeness of donations was not susceptible to audit verification and that accounting policies relating to replacement reserves, allowance for doubtful accounts and amortization of certain capital assets were not in accordance with Canadian accounting standards for not-for-profit organizations, resulting in the qualified opinion. Our opinion is not modified in these regards.

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

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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 Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

Surrey, British Columbia

MNP LLP

June 23, 2025

Chartered Professional Accountants

Atira Women's Resource Society
Non-Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
Assets		
Current		
Cash	**7,023,427**	7,785,085
Term deposits	**20,220**	275,208
Accounts receivable *(Note 3) (Note 5)*	**7,776,268**	6,247,204
Prepaid expenses and deposits	**285,846**	394,601
	15,105,761	14,702,098
Restricted cash *(Note 6)*	**2,748,321**	1,184,294
Investment in related parties *(Note 7), (Note 14)*	**25,002**	2
Advances to related parties *(Note 8)*	**4,051,296**	8,326,021
Capital assets *(Note 9)*	**95,624,050**	77,403,894
	117,554,430	101,616,309
Liabilities		
Current		
Accounts payable and accruals *(Note 10)*	**12,568,635**	10,780,160
Accrued BCHMC payable *(Note 3)*	**1,963,036**	3,583,120
Deferred revenue *(Note 11)*	**635,466**	731,312
Advances from related parties *(Note 8)*	**166,817**	443,323
Deferred contributions *(Note 12)*	**3,698,815**	7,727,737
Security deposits	**542,080**	450,723
Current portion of long-term debt *(Note 13)*	**26,246,632**	11,952,104
	45,821,481	35,668,479
Long-term debt *(Note 13)*	**19,803,666**	21,179,644
Forgivable loans *(Note 14)*	**15,963,522**	16,275,702
Deferred capital contributions *(Note 15)*	**22,648,331**	15,985,398
	58,415,519	53,440,744
	104,237,000	89,109,223

Commitments and contingencies *(Note 16)*

Credit facility *(Note 17)*

Subsequent events *(Note 1), (Note 3)*

Economic dependence *(Note 3)*

Net Assets		
Net assets (accumulated deficit)	**1,802,122**	(17,784)
Invested in capital assets	**10,961,900**	12,011,046
Replacement reserve *(Note 18)*	**553,408**	513,824
	13,317,430	12,507,086
	117,554,430	101,616,309

Approved on behalf of the Board

e-Signed by Anne Kinvig
2025-06-20 18:12:36:36 PDT
Director

e-Signed by Carolyn Willick
2025-06-26 14:29:44:44 PDT
Director

The accompanying notes are an integral part of these non-consolidated financial statements

Atira Women's Resource Society
Non-Consolidated Statement of Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
BC Housing	**62,522,606**	51,500,995
Rental income	**8,629,662**	8,389,792
Grant revenue *(Note 19)*	**3,978,882**	3,272,097
Health authority funding	**1,434,063**	837,224
Federal funding	**1,663,633**	1,347,241
Lu'ma Native Housing Society	**898,033**	950,075
Donations	**653,772**	486,382
Other income	**508,507**	268,054
Parent fees childcare	**487,722**	339,932
Interest income	**294,356**	43,776
Administration charge	**120,466**	557,202
	81,191,702	67,992,770
Operating expenses *(Schedule 1)*	**81,183,856**	68,706,176
Covid-19 and Emergency program funding *(Schedule 2)*	**(1,454,819)**	(5,843,794)
Covid-19 and Emergency program expenses *(Schedule 2)*	**1,730,403**	5,102,960
Excess (deficiency) of revenue over expenses before other items	**(267,738)**	27,428
Other income (expense) related to capital assets		
Amortization of forgivable loans	**666,128**	570,995
Amortization of deferred capital contributions	**371,738**	190,928
Loss on disposal of capital assets	**-**	(1,399)
Amortization of capital assets	**(1,619,574)**	(1,222,009)
	(581,708)	(461,485)
Deficiency of revenue over expenses before the following:	**(849,446)**	(434,057)
BCHMC recovery (note 3)	**(1,620,206)**	(470,564)
Excess of revenue over expenses	**770,760**	36,507

The accompanying notes are an integral part of these non-consolidated financial statements

Atira Women's Resource Society
Non-Consolidated Statement of Changes in Net Assets
For the year ended March 31, 2023

	Net assets (accumulated deficit)	*Invested in capital assets*	*Replacement reserve (note 18)*	***2023***	*2022*
Net assets (deficit), beginning of year	**(17,784)**	**12,011,046**	**513,824**	**12,507,086**	6,051,429
Excess of revenue over expenses	**770,760**	**-**	**-**	**770,760**	36,507
Adjustments to replacement reserve per BCHMC	**-**	**-**	**-**	**-**	83,154
Increase in replacement reserve	**-**	**-**	**154,040**	**154,040**	140,040
Expenses charged to replacement reserve	**-**	**-**	**(120,271)**	**(120,271)**	(139,366)
Interest received on replacement reserve	**-**	**-**	**5,815**	**5,815**	2,081
Deferred capital contributions received	**6,924,254**	**(6,924,254)**	**-**	**-**	1,313,671
Forgivable loan funding used to purchase capital assets that will not be amortized	**-**	**-**	**-**	**-**	1,530,720
Long-term debt funding converted to forgivable loan that will not be amortized	**-**	**-**	**-**	**-**	3,488,850
Acquisition of capital assets	**(19,839,731)**	**19,839,731**	**-**	**-**	-
Amortization of capital assets	**1,619,574**	**(1,619,574)**	**-**	**-**	-
Amortization of deferred capital contributions	**(371,738)**	**371,738**	**-**	**-**	-
Forgivable loan funding received	**464,364**	**(464,364)**	**-**	**-**	-
Amortization of forgivable loans	**(666,128)**	**666,128**	**-**	**-**	-
Proceeds from long term debt	**13,944,933**	**(13,944,933)**	**-**	**-**	-
Repayment of long term debt	**(1,026,382)**	**1,026,382**	**-**	**-**	-
Net assets, end of year	**1,802,122**	**10,961,900**	**553,408**	**13,317,430**	12,507,086

The accompanying notes are an integral part of these non-consolidated financial statements

Atira Women's Resource Society
Non-Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	*2022*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**770,760**	36,507
Amortization of forgivable loans related to capital assets	**(666,128)**	(570,995)
Amortization of deferred capital contributions	**(371,738)**	(190,928)
Amortization of capital assets	**1,619,574**	1,222,009
Loss on disposal of capital assets	**-**	1,399
Adjustment to replacement reserve	**-**	83,154
Bad debt expense	**280,399**	305,171
Deferred contributions related to capital assets received in 2020	**-**	1,041,185
	1,632,867	1,927,502
Changes in working capital accounts		
Accounts receivable	**(1,809,463)**	(1,467,976)
Prepaid expenses and deposits	**108,756**	276,273
Accounts payable and accruals	**1,788,475**	4,080,789
Accrued BCHMC payable	**(1,620,084)**	(91,212)
Security deposits	**91,357**	22,037
Deferred revenue	**(95,846)**	17,589
Deferred contributions	**(4,028,922)**	(392,049)
	(3,932,860)	4,372,953
Financing		
Cash contributions received for capital assets	**6,924,254**	11,192,887
Advances of forgivable loans	**464,364**	4,881,327
Advances of long-term debt related to capital assets	**13,944,933**	15,650,722
Repayment of long-term debt related to capital assets	**(1,026,382)**	(586,065)
	20,307,169	31,138,871
Investing		
Purchase of term deposits	**-**	(4,534)
Proceeds on disposal of term deposits	**254,988**	-
Investment in related party	**(25,000)**	-
Purchase of capital assets	**(19,839,731)**	(33,003,404)
Proceeds on disposal of capital assets	**-**	100,143
Advances to and from related parties, net	**3,998,219**	(4,316,113)
Net increase in replacement reserve	**39,584**	2,755
	(15,571,940)	(37,221,153)
Increase (decrease) in cash resources	**802,369**	(1,709,329)
Cash resources, beginning of year	**8,969,379**	10,678,708
Cash resources, end of year	**9,771,748**	8,969,379
Cash resources are composed of:		
Cash	**7,023,427**	7,785,085
Restricted cash	**2,748,321**	1,184,294
	9,771,748	8,969,379

The accompanying notes are an integral part of these non-consolidated financial statements

1. Herstory and nature of the organization

Atira Women's Resource Society (the “Society”) was incorporated on March 10, 1983 under the Society Act of British Columbia. The Society transitioned to the British Columbia Societies Act on March 7, 2018. The Society is a registered charity under the Income Tax Act (Canada) and is accordingly exempt from income taxes.

The Society is a not-for-profit organization dedicated to supporting women and children affected by violence by offering safe and supportive housing and by delivering education and advocacy aimed at ending all forms of gendered violence. The Society operates from three core principles: we are feminist identified, operate within an anti-oppression framework and utilize harm reduction principles in all our work. We are trauma informed and gender responsive.

In 1987, the Society opened its first transition house, Durrant House (formerly known as Atira House), in the South Surrey/White Rock community. The Society began expanding its services in 1993 and today has more than forty-two housing programs, two community daycare programs and more than a dozen support programs, located across the Lower Mainland. In addition, the Society is the sole shareholder of two for- profit social-purpose businesses, Atira Property Management Inc. ("APMI") and The Painter Sisters Painting Company ("TPSPC"), launched in 2002 and 2008, respectively, and supports three controlled not-for-profit organizations, Atira Development Society ("ADS"), Atira Women’s Arts Society ("AWAS") and Atira Women's Housing Cooperative ("AWHC") (note 7).

The COVID-19 virus had significant impact on economic and social activity through the restrictions put in place by various levels of government regarding travel, business operations, and public gatherings. Management has implemented various cost saving measures to reduce costs and manage cash flows and has accessed certain wage subsidy programs available from the Federal government and specific COVID-19 grants or subsidies from various government organizations (Schedule 2).

Subsequent to the fiscal 2023 year end, the Society’s main funder, the British Columbia Housing Management Commission ("BCHMC"), underwent a Financial Systems and Operational Review performed by a third party consulting company on behalf of the Provincial Government of British Columbia (the "Province"). As a result of the findings reported, and, in addition to the ongoing operational review of the Society by the Province, both BCHMC and the Society have established new leadership executive teams. Along with a renewed Board of Directors, the Society's executive team have been working with external consultants on a series of reviews of all aspects of the organization including governance, with a goal to improve transparency, accountability and performance throughout the organization and to its funders and donors.

In addition, management has undertaken a review of the Society's operations and assets to ensure alignment with its core purpose, strategic plan, and ultimately the safety of its clients. As a result of this review, management has made the decision to divest itself of certain programs allowing the Society to focus resources on initiatives that are central to its mission and long-term sustainability. Management continues to monitor and evaluate the Society's operations and assets for further changes.

On March 31, 2025, the Society’s related entity APMI sold its property management business after the resignation of APMI’s Managing Broker on February 21, 2025. BC Financial Services Authority (“BCFSA”) mandates that all brokerages must have a licensed managing broker in place at all times.

With the approval of the Society and APMI Boards, Management approved the following Letters of Interest (LOI):

- Korecki Real Estate Services Inc. (“KRESI”) to assume APMI’s strata, rental, and referral properties.
- Red Door Management Corp. (“Red Door”) to assume APMI’s nonprofit and seniors’ properties.

Both KRESI and Red Door were chosen for their ability to assume the properties in a short timeframe, their alignment with APMI’s mission, and their commitment to taking on key APMI staff members. The Single-Room Occupancy programs (SROs), which were previously managed by APMI are now managed by the Society effective April 1, 2025.

The Society continues to rely on the continued support of its funders, donors and lenders; any material change to these relationships would create a material uncertainty with respect to the Society being a going concern.

2. Going concern

These non-consolidated financial statements have been prepared on a going concern basis which presumes that the Society will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations.

As at March 31, 2023, the Society has a working capital deficiency of $30,715,720 (2022 - $20,966,381). The working capital deficiency includes the debt associated with a development project that was substantially completed in December 2022 totaling $24,870,654, for which the associated mortgage has not yet been finalized (note 13). As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Society's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

To remain a going concern, the Society is dependent upon the support of its members, donors, creditors, BCHMC and other government funding agencies. The Society works closely with BCHMC to develop budgets, taking into account all available information including future expectations up to at least one year from the date of the statement of financial position, that will enable the continued operation of the Society's programs. In addition, the Society works with its lenders to meet the terms of its mortgages and, has, subsequent to year-end, successfully refinanced the mortgages which have matured (note 13). These non-consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Society were unable to continue its operations.

3. Economic dependence

The Society's primary source of revenue is government funding from BCHMC and other government agencies. The Society's ongoing operations depend on the renewal of annual funding agreements with various government agencies. For the year ended March 31, 2023, the Society's revenue consists of approximately 85% (2022 - 84%) from BCHMC and other government agencies.

The Society has accrued a payable of $1,963,036 (2022 - $3,583,120) due to BCHMC as at March 31, 2023. This amount is comprised of the anticipated result of BCHMC's financial review of the year ended March 31, 2023, and adjustments from previous years, and subsequent negotiations between the Society and BCHMC for the years ended March 31, 2020 through March 31, 2023 as follows:

March 31, 2020 - estimated payable due to BCHMC	(448,268)
March 31, 2020 - payable due to BCHMC (see note below)	(549,399)
March 31, 2021 - estimated payable due to BCHMC	(975,924)
March 31, 2021 - payable due to BCHMC (see note below)	(1,358,773)
March 31, 2022 - estimated payable due to BCHMC	(250,878)
March 31, 2023 – estimate due from BCHMC	1,620,206
	$ (1,963,036)

Subsequent to the fiscal 2023 year end, the Society repaid $1,908,172 (2022 - $Nil) to BCHMC, comprised of $549,399 and $1,358,773 above, in connection with the 2020 and 2021 BCHMC financial reviews.

Management has based its estimate for the year ended March 31, 2023 on a number of factors, including the causes of adjustments in previous financial reviews and the results of negotiations with BCHMC during the year. However, the actual results of BCHMC's financial review for the year ended March 31, 2023 could materially differ from the amount estimated by management.

In addition to the amounts above, the Society has accrued receivables from BCHMC for recovery of extraordinary expenses totaling $975,155 (2022 - $692,918) and other receivables from BCHMC primarily relating to CSSEA wage lift adjustments totaling $1,033,092, which are included with accounts receivable.

4. Significant accounting policies

The non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash and restricted cash

Cash and cash equivalents include cash, term deposits and marketable securities with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Investment in subsidiaries and controlled not-for-profit organizations

The Society owns 100% of the issued and outstanding share capital of APMI and TPSPC which are for-profit corporations. APMI and TPSPC's results are not consolidated; they are reported using the equity method of accounting for investments and providing the disclosure recommended under Part III of the CPA Canada Handbook - Accounting.

The Society controls ADS, a not-for-profit organization, through common directors and management. ADS's results are not consolidated; they are reported by providing the disclosures required under Part III of the CPA Canada Handbook - Accounting.

The Society also controls AWAS, a not-for-profit organization through common directors and management. AWAS's results are not consolidated; they are reported by providing the disclosures required under Part III of the CPA Canada Handbook - Accounting.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined. When fair value cannot be reasonably determined, capital assets have been recorded at nominal value.

BCHMC requires that certain of the Society's buildings be amortized at an amount equal to the annual principal repayments of the buildings' related mortgage debt, rather than over the estimated useful life of the building.

The Society amortizes its other capital assets using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Buildings	10 - 60 years
Automotive	3 years
Computer equipment	3 years
Computer software	3 years
Equipment	3 - 25 years
Furniture and fixtures	3 years
Building renovations	10 - 15 years

Land leasehold interests are amortized over the respective lease term on a straight-line basis ranging from 25 to 40 years. Building improvements are amortized straight-line over the lesser of the remaining life of the building or their estimated useful lives of 5 to 15 years.

Capital assets under construction are presented as development costs are are not amortized until the completed capital assets are available for use.

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Society writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Society's ability to provide goods and services. The asset is also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Society determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

4. Significant accounting policies *(Continued from previous page)*

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- there is a substantial physical change to the specified tangible asset.

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.

Contributions restricted for the construction or purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital asset. Contributions for land are recognized as direct increases to net assets.

Deferred contributions represent restricted funding received in the current period that is related to a subsequent period or designated for a specific expenditure that has not yet occurred.

Deferred revenue represents income received in the current period that relates to a subsequent period.

Government assistance

Government assistance in the form of wage premiums is treated in accordance with that of a contribution and recognized in the period the funding is received or becomes receivable.

Forgivable loans

Forgivable loans used to acquire capital assets are accounted for in the same manner as a contribution restricted for the same purpose, whereby revenue is recognized on the same basis as the amortization expense related to the acquired capital assets, notwithstanding that the terms of forgiveness in the loan agreement may differ. For contributions restricted for the purchase of a capital asset that will not be amortized, the contribution us recorded as direct increase to net assets.

Replacement reserve

In accordance with the agreement between the Society and BCHMC, a replacement reserve fund has been established. The replacement reserve is funded from the Society's operating budget through an annual transfer to the reserve. The amount to be transferred is approved annually by BCHMC and is restricted for the replacement or repair of the Society's capital assets.

Employee future benefits

The Society's employee future benefit program consist of a defined contribution pension plan. Accordingly, contributions to the plan are recognized as an expense during the year.

Financial instruments

The Society recognizes financial instruments when the Society becomes party to the contractual provisions of the financial instrument.

4. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Society initially measures financial instruments originated/acquired or issued/assumed in a related party transaction at cost on initial recognition. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

The Society subsequently measures related party financial instruments using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

Financial asset impairment

The Society assesses impairment of all its financial assets measured at cost or amortized cost. The Society groups assets for impairment testing when when there are numerous assets affected by the same factor. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Society reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Society reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

4. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (use of estimates)

The preparation of non-consolidated financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable and advances to related parties are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. The amounts recorded as accrued payables due to BCHMC and certain other amounts recorded as accrued liabilities are subject to management's estimates.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

5. Accounts receivable

	2023	*2022*
Accounts receivable	**4,723,784**	4,437,413
SRO receivable	**672,921**	530,906
Sales tax rebate receivable	**371,316**	585,967
BCHMC receivable, extraordinary expense reimbursement (Note 3)	**975,155**	692,918
Accrued BCHMC receivable (Note 3)	**1,033,092**	-
	7,776,268	6,247,204

6. Restricted cash

	2023	*2022*
Restricted replacement reserves	**463,654**	458,154
Security deposits	**474,760**	416,446
420 Hawks	**397,602**	167,792
Transition House Cumulative surplus	**1,291,269**	100,739
Development of The Alex project	**119,474**	39,647
Bountiful	**1,562**	1,516
	2,748,321	1,184,294

7. Investment in related parties

The Society holds investments in the following subsidiaries, which are accounted for using the equity method:

	2023	*2022*
APMI	**1**	1
TPSPC	**1**	1
East Van Roasters	**25,000**	-
	25,002	2

APMI

APMI is a wholly owned subsidiary of the Society. It provides property management services across Vancouver and the Lower Mainland. Any net income generated by APMI is used to support the Society's objectives through donations. APMI has a March 31 year-end and its financial information is prepared on a cash basis with the inclusion of certain accruals.

The Society has paid property management fee expense of $1,656,960 (2022 - $1,629,666), rent of $19,200 (2022 - $19,200), and wages and benefits of $201,849 (2022 - $217,870) to APMI. In addition, the Society received a donation of $5,000 (2022 - $6,000) from APMI.

Summary financial information of APMI as at March 31, 2023 is as follows:

	2023	*2022*
Financial Position		
Total assets	**564,365**	836,468
Total liabilities	**1,386,069**	1,150,978
Total shareholder's equity (deficit)	**(821,704)**	(314,510)
Results of Operations		
Total revenue	**17,065,210**	18,765,124
Total expenses	**17,572,404**	18,805,335
Net loss	**(507,194)**	(40,211)

The Society is identified as a guarantor in lending agreements between APMI and Vancouver City Savings Credit Union ("VanCity"). The lending agreements provide APMI with a variable rate term loan of up to $194,578 (2022 - $194,578) and a demand operating loan of up to $50,000 (2022 - $50,000). As at March 31, 2023, the outstanding balance of the loan was $25,825 (2022 - $53,369). The Society has pledged security in connection with these loans in the form of a general security agreement, a guarantee and postponement of claim by the Society with respect to the assets and liabilities of APMI, and by a third mortgage and an assignment of related rents on a Society's property located at 13733 92 Ave, Surrey, BC.

Under its lending agreements with VanCity, APMI is subject to a debt service coverage ratio, as defined of not less than 1:1. As at March 31, 2023, the financial information required to calculate the debt covenant was not readily available and accordingly the covenant was indeterminable as at APMI's review engagement report date (2022 - in compliance).

APMI's current credit facility matures on October 31, 2023.

7. Investment in related parties *(Continued from previous page)*

TPSPC

TPSPC is a wholly owned subsidiary of the Society which is currently operationally inactive. Previously, TPSPC provided job training and client skills development through the provision of painting services throughout the Lower Mainland. TPSPC has a March 31 year end and its financial information is prepared on a cash basis with the inclusion of certain accruals.

Summary financial information of TPSPC as at March 31, 2023 is as follows:

	2023	*2022*
Financial Position		
Total assets	**7,745**	7,757
Total liabilities	**5,911**	5,911
Total shareholder's equity	**1,834**	1,846
Results of Operations		
Total expenses	**30**	270
Net loss	**(30)**	(270)

AWAS

AWAS is a controlled not-for-profit organization of the Society. The purpose of AWAS is to provide economic opportunities for women through teaching, making and selling arts and crafts. AWAS has a March 31 year end, is prepared in accordance with ASNPO and its financial information is prepared on a cash basis with the inclusion of certain accruals.

Summary financial information of AWAS as at March 31, 2023 is as follows:

	2023	*2022*
Financial Position		
Total assets	**290,560**	168,312
Total liabilities	**363,978**	92,252
Net assets (accumulated deficit)	**(73,418)**	76,060
Results of Operations		
Total revenue	**529,662**	191,312
Total expenses	**712,267**	168,769
Excess (deficiency) of revenue over expenses	**(182,605)**	22,543

7. Investment in related parties *(Continued from previous page)*

ADS

ADS is a controlled not-for-profit organization of the Society. The purpose of ADS is to act as a development arm for the Society by purchasing housing units for social redevelopment. The objectives of the redeveloped properties include providing low income housing to those in need and supporting the programs operated by the Society. In addition, ADS operates two housing programs and provides continuous concierge services and a community animator for each program, ADS has a January 31 year end, is prepared in accordance with ASNPO and its significant accounting policies are consistent with those of the Society.

The Society has a year-end date of March 31, 2023 and the ADS has a year-end date of January 1, 2023. It is not possible to prepare financial statements of ADS for the same period as the Society's financial statements. Therefore, the Society uses ADS's year-end financial statements to account for their interest in ADS's financial results.

Summary financial information of ADS as at January 31, 2023 is as follows:

	2023	*2022*
Financial Position		
Total assets	**65,900,980**	90,326,781
Total liabilities	**58,823,172**	89,018,934
Net assets	**7,077,808**	1,307,847
Results of Operations		
Total revenue	**13,239,539**	5,484,442
Total expenses	**7,469,578**	6,399,408
Excess (deficiency) of revenues over expenses	**5,769,961**	(914,966)

On April 1, 2021, ADS purchased 323 and 369 Alexander Street, Vancouver, BC, for a purchase price of $28,750,000 for the purpose of developing the land into further rental units. This purchase was funded by $25,885,000 from the operating line of credit facilitated by Vancouver City Savings Credit Union ("VanCity") until other arrangements could be finalized, with the remaining $3,205,000 being funded by the Society. ADS accepted an offer to purchase this property in the amount of $35,800,000 which closed in September 2022. The operating line of credit was repaid in full, and the facility is no longer available to ADS. In September 2022, ADS repaid the $3,205,000 advance in full subsequent to the sale of the properties located at 323 and 369 Alexander Street, Vancouver, BC.

On January 31, 2022, ADS purchased 303 Columbia Street, Vancouver, BC, for a purchase price of $16,000,000 to be utilized as additional housing units. This purchase was funded by a $13,500,000 mortgage from VanCity with the remainder being funded by the Society. In April 2022, ADS repaid $1,400,000 and in May 2023, ADS repaid $2,020,940 to the Society, thereby paying the advance in full pertaining to the property located at 303 Columbia Street, Vancouver, BC.

The Society is identified as a co-guarantor with APMI and 1336142 BC Ltd., a company controlled by an employee of the Society, in lending agreements between ADS and VanCity Capital Corporation ("VanCity"). The lending agreements provide ADS with three mortgages totaling the amount of $33,302,988 (2022 - $34,012,500). As at January 31, 2023, the outstanding balances of the three mortgages were $32,468,626 (2022 - $33,302,822). In the prior year, the lending agreements included a demand line of credit of up to $25,925,000 and the line of credit was drawn upon in the amount of $25,776,933. The operating line was repaid in full September 2022, and the facility is no longer available to ADS.

The Society has pledged security in connection with these lending agreements in the form of a general security agreement, a guarantee and postponement of claim by the Society with respect to the assets and liabilities of ADS.

Under its lending agreements with VanCity, ADS is subject to a combined debt service coverage ratio calculated with the Society and APMI, as defined of not less than 1:1. For the fiscal years ended 2023, VanCity agreed not to apply the covenants as financial information for the three group entities was not available (2022 - debt covenant non-compliance waived by VanCity).

7. Investment in related parties *(Continued from previous page)*

ADS's current credit facilities may be reviewed by VanCity at any time prior or subsequent to this date. The terms of the agreements are anticipated to remain as described in the original lending agreements until such time that a review is completed.

During the year, the Society and ADS signed a commercial lease assignment agreement (the "Agreement") for real property located at 40 Powell Street, Vancouver, BC with a term beginning on January 30, 2023 and ending on June 30, 2024. Under the terms of the Agreement, rent is $45,500 per month.

AWHC

AWHC was incorporated under the BC Cooperative Association Act on April 27, 2022 as a new related party to the Society. The purpose of AWHC is to provide housing for some of the Society's employees. AWHC has a January 31 year end and its financial information is prepared on a cash basis with the inclusion of certain accruals.

8. Advances to related parties

Amounts due to and from the following parties, related by virtue of common board of directors, are unsecured, non-interest bearing and have no specified terms of repayment.

The advances to ADS have primarily been used by ADS to fund the purchase and operation of real estate activities, in accordance with its societal purpose. The repayment of these amounts to the Society will substantially occur on the sale of all, or a portion of, ADS's real estate portfolio. Subsequent to year end ADS repaid all advances related to property acquisitions in full, see ADS's financial information in Note 7.

	2023	*2022*
Advances to ADS	**3,883,572**	8,243,010
Advances to AWAS	**145,908**	12,401
Advances to APMI - Operating	**-**	69,633
Advances to APMI - SRO	**20,749**	-
Advances to TPSPC	**1,067**	977
	4,051,296	8,326,021

Advances from related parties

	2023	*2022*
Advances from APMI - Operating	**166,817**	-
Advances from APMI - SRO	**-**	443,323
	166,817	443,323

9. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	**19,214,051**	**-**	**19,214,051**	19,214,051
Buildings	**75,610,303**	**7,232,180**	**68,378,123**	23,415,432
Automotive	**39,109**	**34,221**	**4,888**	16,295
Computer equipment	**580,213**	**73,825**	**506,388**	90,271
Computer software	**186,613**	**50,421**	**136,192**	128,896
Equipment	**106,728**	**81,522**	**25,206**	19,773
Furniture and fixtures	**181,563**	**74,046**	**107,517**	777
Leasehold improvements	**1,762,977**	**460,615**	**1,302,362**	1,274,061
Building renovations	**7,728,968**	**1,872,557**	**5,856,411**	4,466,440
Development costs	**92,912**	**-**	**92,912**	28,777,898
	105,503,437	**9,879,387**	**95,624,050**	77,403,894

Buildings include $968,940 (2022 - $968,940) related to a facility on land leased from The Synod of the Diocese of New Westminster. The land has been leased for an amount of $10 per annum (2022 - $10), and the term of the lease expires on December 31, 2055. Upon expiration of the lease, the building and all fixtures become property of the landlord.

Development costs include $10 (2022 - $10) related to a facility under development on land leased from The Metro Vancouver Regional District. The land has been leased until June 22, 2078. Upon expiration of the lease, the building and all fixtures become property of the landlord.

Development costs represent construction in progress and will not be a amortized until the completed asset is available for use. During the year ended March 31, 2023, $17,144,182 (2022 - $22,764,474) of development costs were incurred.

During the year ended March 31, 2023, the projects relating to capital assets under construction of $45,829,168 (2022 - $nil) were substantially completed and transferred from development costs to buildings. Amortization on the related capital assets commenced upon substantial completion.

10. Accounts payable and accruals

	2023	2022
Accounts payable and accruals	**10,702,933**	9,351,094
Wages payable	**902,735**	702,759
Vacation payable	**876,814**	726,173
Government agencies payable	**86,153**	134
	12,568,635	10,780,160

11. Deferred revenue

Deferred revenue represents unrecognised rental income received in the year. Deferred revenue recognized to revenue is recorded as rent on the statement of operations.

Changes in the deferred contribution balance are as follows:

	2023	*2022*
Balance, beginning of year	**731,312**	713,722
Deferred revenue received during the year	**1,184,400**	1,627,450
Deferred revenue recognized to revenue during the year	**(1,280,246)**	(1,609,860)
Balance, end of year	**635,466**	731,312

12. Deferred contributions

During the year ended March 31, 2023, the Society received deferred contributions of $56,278,522 (2022 - $64,722,552) and recognized deferred contributions into revenue of $60,307,444 (2022 - $65,114,601). The balance of the deferred contributions at year end consists of the following:

	2023	*2022*
British Columbia Housing Management Commission	**1,289,235**	5,319,525
Vancouver Coastal Health	**665,400**	948,041
Other deferred contributions	**483,682**	302,573
Ministry of Children and Family Development	**225,360**	278,908
City of Vancouver	**89,929**	270,899
WAGE	**-**	203,434
Gaming	**105,497**	105,000
Women's Shelter Canada	**328,126**	78,230
Law Foundation of BC	**156,464**	62,933
Vancouver Aboriginal Child and Family Services Society	**36,497**	59,489
Affordable Housing	**249,938**	33,823
Maria Marina Foundation	**28,525**	28,587
Ministry of Public Safety and Solicitor General	**29,069**	26,295
United Way	**10,000**	10,000
Fraser Health Authority	**1,093**	-
	3,698,815	7,727,737

13. Long-term debt

	2023	*2022*
VanCity mortgage bearing interest at 2.99% per annum, repayable in monthly blended payments of $4,254. The loan matures on January 5, 2031 and is secured by a first mortgage charge and assignment of rents over property 16551 10 Avenue, Surrey, BC, and a general security agreement from the Society over all present and after acquired property.	**845,545**	871,051
VanCity facility bearing interest at 3.25% per annum, repayable in monthly blended payments of $1,689. The loan matures on July 11, 2025 and is secured by an assignment of rents and the property at 9144 135A Street, Surrey, BC.	**289,672**	300,419
Bank of Nova Scotia mortgage bearing interest at 2.315% per annum, repayable in monthly blended payments of $49,122. The mortgage matures on July 1, 2031 and is secured by property at 13733 92nd Avenue, Surrey, BC.	**10,631,590**	10,971,844
MCAP mortgage bearing interest at 2.459% per annum, repayable in monthly blended payments of $18,653. The mortgage matures on June 1, 2031 and is secured by property at 100 East Cordova Street, Vancouver, BC.	**2,530,917**	2,690,708
VanCity mortgage bearing interest at 3.90% per annum, repayable in monthly blended payments of $28,307. The loan matures on March 1, 2027 and is secured by an assignment of rents and property at 143 Dunlevy Avenue, Vancouver, BC, and a general security agreement from the Society over all present and after acquired property.	**4,565,337**	4,725,000
VanCity mortgage bearing interest at 5.55% per annum, repayable in monthly blended payments of $5,697. The mortgage matures on December 17, 2025 and is secured by a first mortgage charge and assignment of rents over property at 1010 Sperling Avenue, Burnaby, BC.	**753,787**	785,818
BCHMC mortgage secured by a first mortgage charge over property 2117 & 2121 Prairie Avenue, Port Coquitlam, BC. As of the audit report date, BCHMC has not yet finalized the terms of the mortgage.	**24,870,654**	10,925,722
Bank of Nova Scotia loan bearing interest at 5.14% per annum, repayable in monthly blended payments of $3,441. The loan matures on November 1, 2033 and is secured by property at 120 Jackson Avenue, Vancouver, BC.	**592,912**	-
Peoples Trust Company loan secured to the property at 120 Jackson Avenue, Vancouver BC. The loan was extinguished and refinanced with a new lender, the Bank of Nova Scotia, during the year.	**-**	606,286
MCAP mortgage bearing interest at 2.196% per annum, repayable in monthly blended payments of $1,539. The mortgage matures on September 1, 2029 and is secured by property at 100 East Cordova Street, Vancouver, BC.	**316,635**	328,049
VanCity mortgage bearing interest at 2.99% per annum, repayable in monthly blended payments of $2,685. The loan matures on January 5, 2031 and is secured by a general security agreement, second mortgage charge over property at 14523 16th Avenue, Surrey, BC and assignments of rents and insurance.	**533,626**	549,726
Peoples Trust Company loan bearing interest at 2.405% per annum, repayable in monthly blended payments of $487. The loan matures on May 1, 2026 and is secured by property at 100 East Cordova Street, Vancouver, BC.	**119,623**	122,564
VanCity Community Foundation program-related investment loan, repaid during the year.	**-**	250,000

13. Long-term debt *(Continued from previous page)*

	2023	*2022*
British Columbia Housing Management Commission mortgage, repaid during the year.	-	4,561
	46,050,298	33,131,748
Less: Current portion	**26,246,632**	11,952,104
	19,803,666	21,179,644

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed are estimated as follows:

	Principal
2024	26,246,632
2025	1,500,382
2026	1,051,592
2027	899,156
2028	4,486,327
Thereafter	11,866,209
Total	46,050,298

During the year, interest on long-term debt amounted to $1,459,404 (2022 – $522,688).

The VanCity lending agreements related to all of the Society's long-term debt with VanCity requires the Society to maintain certain financial and non-financial covenants, including a debt service coverage ratio equal to or greater than 1:1. As at March 31, 2023, the Society was not in compliance with the debt service coverage ratio (2022 – not in compliance with the debt service coverage ratio), which is an event of default under the agreement. As at the audit report date, VanCity has been notified of the non-compliance and has not demanded repayment of the long-term debt.

As at the audit report date, all remaining mortgage facilities with lenders have continued to be repaid in accordance with the scheduled payments.

14. Forgivable loans

Changes in forgivable loans are as follows:

	2023	*2022*
Balance, beginning of year	**16,275,702**	13,541,795
Funding received during the year	**464,364**	4,881,327
Less: recognized as revenue during the year	**(666,128)**	(570,995)
Funding converted from long-term debt to forgivable loan	-	3,550,000
Transfer to deferred capital contributions (note 15)	**(110,416)**	(106,855)
Transferred directly to net assets (Little's)	-	(3,488,850)
Transferred directly to net assets (Sereena)	-	(1,530,720)
Balance, end of year	**15,963,522**	16,275,702

14. Forgivable loans *(Continued from previous page)*

	2023	*2022*
BCHMC $34,362,507 (2022 - $20,266,904) mortgage at 0% interest per annum, forgiven over 35 years beginning February 2031, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2023 is $34,362,507.	**8,300,000**	8,300,000
City of Vancouver $858,543 mortgage at 0% interest per annum, forgiven over 20 years beginning October 2020, repayable in full if agreed purpose changes. Unforgiven balance at March 31, 2023 is $812,142.	**812,142**	855,844
Canada Mortgage and Housing Corporation $2,400,000 mortgage at 0% interest per annum, forgiven over 15 years beginning November 2013, repayable in full if agreed purpose changes, secured by first mortgage charge over property at 120 Jackson Avenue, Vancouver, BC and assignment of rents. Unforgiven balance on March 31, 2023 is $600,000 and land component credited directly to net assets is $493,881 as at March 31, 2023.	**683,262**	810,337
BCHMC $5,184,875 mortgage at 0% interest per annum, forgiven over 25 years, beginning June 2027, repayable in full if the agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2023 is $5,184,875 and land component credited directly to net assets is $3,078,875 as at March 31, 2023.	**1,760,014**	1,820,186
BCHMC $165,257 mortgage at 0% interest per annum, forgiven over 10 years beginning November 2018, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2023 is $122,566.	**122,566**	139,091
BCHMC $2,796,866 (2022 - $1,856,845) mortgage at 0% interest per annum, forgiven over 10 years beginning February 2021, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance at March 31, 2023 is $2,313,372	**2,313,372**	2,235,371
BCHMC $1,099,843 mortgage at 0% interest per annum, forgiven over 10 years beginning November 2018, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2023 is $586,573.	**586,573**	696,556
BCHMC $500,000 mortgage at 0% interest per annum, forgiven over 25 years beginning January 2016, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2023 is $355,000.	**355,000**	375,000
BCHMC $444,872 mortgage at 0% interest per annum, forgiven over 10 years beginning August 2018, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2023 is $266,923.	**266,923**	311,410
BCHMC $150,000 mortgage at 0% interest per annum, forgiven over 10 years beginning May 2020, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance at March 31, 2023 is $112,500.	**112,500**	127,500
BCHMC $167,299 mortgage at 0% interest per annum, forgiven over 10 years beginning February 2020, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2023 is $100,380.	**100,380**	117,110
BCHMC $167,325 mortgage at 0% interest per annum, forgiven over 10 years beginning October 2018, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2023 is $93,419.	**93,419**	110,150
BCHMC $1,600,000 mortgage at 0% interest per annum, forgiven over 35 years beginning March 2022, repayable in full if the agreed purpose changes. Unforgiven balance at March 31, 2023 is $1,596,190 and land component credited directly to net assets is $1,530,720 as at March 31, 2023.	**67,136**	69,115

Forgivable loans *(Continued from previous page)*

	2023	*2022*
BCHMC $53,230 mortgage at 0% interest per annum, forgiven over 10 years beginning March 2018, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2023 is $23,137.	**23,137**	28,460
BCHMC $43,127 mortgage at 0% interest per annum, forgiven over 10 years beginning September 2020, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance at March 31, 2023 is $32,346.	**32,346**	36,658
BCHMC $16,966 mortgage at 0% interest per annum, forgiven over 10 years beginning December 2018, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2023 is $9,614.	**9,614**	11,311
BCHMC $10,968 mortgage at 0% interest per annum, forgiven over 10 years beginning September 2021, repayable in full if agreed purpose changes. Unforgiven balance at March 31, 2023, is $9,322.	**9,322**	10,419
BCHMC $4,330,518 mortgage at 0% interest per annum, forgiven over 25 years beginning December 2028, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance at March 31, 2023 is $4,330,518 and land component credited directly to net assets is $4,124,530 as at March 31, 2023.	**152,557**	154,304
BCHMC $10,000 mortgage at 0% interest per annum, forgiven over 10 years beginning April 2021, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance at March 31, 2023 is $8,500.	**8,500**	9,500
BCHMC $14,150 mortgage at 0% interest per annum, forgiven over 10 years beginning September 1, 2021, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance at March 31, 2023 is $14,150.	**14,150**	7,590
BCHMC $41,997 mortgage at 0% interest per annum, forgiven over 10 years beginning February 2023, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance at March 31, 2023 is $41,997.	**41,997**	-
BCHMC $17,425 mortgage at 0% interest per annum, forgiven over 10 years beginning February 2023, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance at March 31, 2023 is $17,425.	**17,425**	-
BCHMC $14,428 mortgage at 0% interest per annum, forgiven over 10 years beginning March 2023, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance at March 31, 2023 is $14,428.	**14,248**	-
BCHMC $18.860 mortgage at 0% interest per annum, forgiven over 10 years beginning March 2023, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance at March 31, 2023 is $18,860.	**18,860**	-
BCHMC $7,300 mortgage at 0% interest per annum, forgiven over 10 years beginning March 2023, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance at March 31, 2023 is $7,300.	**7,300**	-
CHMC $90,352 mortgage at 0%, forgiven over 10 years beginning August 2018, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2023 is $40,779	**40,779**	49,790
	15,963,522	16,275,702

15. Deferred capital contributions

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2023	*2022*
Balance, beginning of year	**15,985,398**	5,149,070
Contributions received during the year	**6,924,254**	10,920,401
Transferred from forgivable loans (note 14)	**110,416**	106,855
Contributions recognized to revenue during the year	**(371,737)**	(190,928)
Balance, end of year	**22,648,331**	15,985,398

16. Commitments and contingencies

The Society has entered into various premises and equipment leases which expire on various dates through 2033. Minimum payments during the next five years, excluding operating costs, are estimated as follows:

2024	3,410,838
2025	3,528,106
2026	1,088,914
2027	475,462
2028	963,726

Subsequent to year-end, during the year ended March 31, 2025, a claim was made against the Society by a contractor seeking payment for services rendered to the Society which have not been paid. The claim relates to services provided during the year-ended March 31, 2023, March 31, 2024, and March 31, 2025. Amounts owing to the contractor, that were incurred but not paid up to March 31, 2023, are included in accounts payable and accruals.

In the normal conduct of operations, there are other pending claims by and against the Society. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these other litigations will not materially affect the Society's non-consolidated financial position or results of operations.

17. Credit facility

The Society has an operating line of credit to a maximum of $215,000 (2022 - $215,000) with VanCity. Funds advanced under this line of credit bear interest at 1% (2022 - 1%) over VanCity's prime lending rate. The line of credit is secured by a general security agreement providing a charge over all of the assets of the Society. As at March 31, 2023, the line of credit was not drawn upon (2022 - not drawn upon).

18. Replacement reserve

The amount presented as replacement reserve is comprised of an externally restricted amount required by BCHMC and an internally restricted amount as determined by the Society. The balance held in the replacement reserve fund as at March 31, 2023 is as follows:

	2023	*2022*
Externally restricted	**506,715**	466,174
Internally restricted	**46,693**	47,650
	553,408	513,824

19. Grant revenue

Grant revenue consists of the following:

	2023	*2022*
Ministry of Children and Family Development	**1,464,063**	1,235,554
City of Vancouver	**755,906**	718,237
Other grant revenue	**661,635**	473,165
Ministry of Public Safety and Solicitor General	**401,463**	347,054
Ministry of Education and Childcare	**326,269**	115,791
Ministry of Social Development and Social Innovation	**125,860**	119,320
Law Foundation of BC	**137,536**	157,976
Gaming	**106,150**	105,000
	3,978,882	3,272,097

20. Employee future benefits

The Society and certain of its employees contribute to Atira Women's Resource Society Registered Pension Plan (the "Plan"), a defined contribution pension plan issued by Canada Life and in accordance with the Pension Benefits Standards Act (British Columbia). The Plan has approximately 543 (2022 - 553) active plan members and no retired plan members.

Canada Life provides a certified financial statement to assess the financial position of the Plan and the adequacy of Plan funding as at March 31, 2023. During the 2023 fiscal year, the Society paid $932,532 (2022 - $372,148) for employer contributions, which is included in salaries and benefits (Schedule 1).

21. Employee compensation

In accordance with the Societies Act of British Columbia, the Society is required to provide the total remuneration, if any, paid by the Society to the directors in the period, and the remuneration paid by the Society in the period to the employees of the Society, and to persons under a contract for services with the Society, whose remuneration was at least $75,000.

During the year ended March 31, 2023, the Society paid total remuneration of $1,619,285 (2022 - $1,986,203) for services to 15 (2022 - 18) employees, each of whom received total annual remuneration of $75,000 or greater. No contractors received remuneration greater than $75,000 for the year (2022 - none).

No remuneration was paid to any members of the Society's Board of Directors.

22. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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's financial assets that are exposed to credit risk are accounts receivable and advances to related parties. The Society mitigates this risk by proactive credit management policies that includes proactive collections of accounts receivable and regular monitoring of payments history and performance. Additionally, the Society works with its related parties to ensure that credit risk is mitigated by regularly reviewing their financial performance. The Society also maintains, if deemed necessary, a provision for potential credit losses, and any such losses to date have been within management's expectations.

Financial instruments that potentially subject the Society to concentrations of credit risk consist primarily of accounts receivable. The Society's accounts receivable is concentrated as 43% (2022 - 58%) of the balance is receivable from BCHMC and other government funding agencies.

22. Financial instruments *(Continued from previous page)*

Liquidity risk

Liquidity risk is the risk that the Society will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society's working capital deficiency and economic dependency on BCHMC elevate the Society's liquidity risk. Management regularly monitors the Society's cash flow and continues to work with BCHMC, VanCity and its other creditors to address this risk. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfil its obligations.

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 on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Society to a fair value risk while the floating rate instruments subject it to cash flow risk. For financial assets, the Society is exposed to fair value risks as a result of investments in term deposits bearing fixed rates of interest and long-term debt.

Unless otherwise noted, it is managements opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

23. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation. The prior year figures were prepared by another accountant.

	2023	*2022*
Expenses		
Advertising and fundraising	**230,864**	45,955
Bad debts	**280,399**	305,171
Bank charges and interest	**16,214**	15,382
Computer	**313,900**	335,398
Food and kitchen supplies	**4,238,025**	3,033,080
Furniture and equipment	**433,857**	437,732
Insurance	**761,350**	498,223
Interest on long-term debt	**1,459,404**	522,688
Memberships licenses and dues	**27,663**	26,037
Miscellaneous	**261,597**	319,127
Occupancy costs	**1,745,644**	1,712,456
Occupancy costs	**94,532**	90,360
Office expenses	**211,775**	210,894
Professional fees	**1,325,964**	790,251
Program direct	**1,264,868**	1,009,747
Rent	**2,861,445**	3,260,993
Rent supplement	**490,127**	560,461
Repairs and maintenance	**10,793,325**	9,486,123
Replacements reserve	**154,040**	140,040
Restoration expense	**4,903,624**	2,854,954
Salaries and benefits	**45,588,748**	39,703,999
Security costs	**182,718**	319,640
Supplies	**148,324**	130,457
Telephone	**326,237**	311,227
Training and education	**215,997**	91,037
Travel	**92,135**	75,897
Utilities	**2,761,080**	2,418,847
	81,183,856	68,706,176

Atira Women's Resource Society
Schedule 2 - Non-Consolidated Schedule of Covid-19 and Emergency Funding and Expenses
For the year ended March 31, 2023

	2023	*2022*
Revenue		
BC Housing	**828,776**	5,107,362
Grant revenue	**26,168**	411,600
Health authority	**451,331**	162,064
Federal funding	**111,126**	117,804
Ministry of Children and Family Development	**51,360**	39,964
Other income	**(13,942)**	5,000
	1,454,819	5,843,794
Operating expenses		
Wages and employee benefits	**868,672**	2,107,265
Food and kitchen supplies	**200,642**	1,182,343
Repairs and maintenance	**124,744**	1,040,506
Direct client expenses	**344,617**	539,000
Restoration	**34,602**	104,292
Rent	**52,434**	55,318
Utilities	**7,311**	18,321
Professional fees	**61,675**	17,772
Legal and accounting	**6,084**	8,238
Office expenses	**5,948**	7,411
Telephone	**6,535**	7,926
Staff development	**6,422**	5,711
Insurance	**5,353**	4,436
Travel	**3,824**	2,866
Security costs	**1,138**	1,052
Dues and membership	**352**	375
Bank fees	**50**	128
	1,730,403	5,102,960
Excess (deficiency) of revenue over expenses related to COVID-19	**(275,584)**	740,834