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**ATIRA WOMEN'S RESOURCE SOCIETY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
MARCH 31, 2016**

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## INDEPENDENT AUDITORS' REPORT

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To the Members of:  
Atira Women's Resource Society

### Report on the Financial Statements

We have audited the accompanying financial statements of Atira Women's Resource Society (the "Society"), which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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## INDEPENDENT AUDITORS' REPORT

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### Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations, 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 and we were unable to determine whether any adjustments might be necessary to donation revenue, deficiency of revenue over expenses, cash flows from operations, assets, liabilities and net assets for the year ended and as at March 31, 2016. Our audit opinion on the financial statements for the prior year ended March 31, 2015 also contained a qualification because of the possible effects of this limitation in scope.

Note 1(a) to the financial statements describes the basis of accounting followed by the Society with respect to amortizing the cost of certain buildings at an annual amount equivalent to the principal reduction of the related mortgage payable during the year and the appropriation from operations of an annual provision for the residential replacement reserves. This basis of accounting is required by the British Columbia Housing Management Commission. In these respects the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations. The effects of these departures from Canadian accounting standards for not-for-profit organizations have not been determined.

### Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs above, the financial statements present fairly, in all material respects, the financial position of Atira Women's Resource Society as at March 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Emphasis of Matter

We draw attention to Note 1(a) in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Atira Women's Resource Society to continue as a going concern. Our opinion is not qualified in respect of this matter.

We also draw attention to Note 14 in the financial statements which indicates that the Society's 2015 financial statements presented for comparative purposes have been restated. Our opinion was not modified with respect to this matter.

### Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, the Society's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations applied on a consistent basis.

*Manning Elliott LLP*

Chartered Professional Accountants

Vancouver, British Columbia

November 18, 2016

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2016**

	2016	2015 (Note 14)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,964,397	\$ 1,625,759
Term deposits	450,221	20,220
Accounts receivable	412,540	314,236
Sales tax rebate	46,216	30,483
Accrued receivable -- BCHMC (Note 1(a))	329,612	550,063
Prepaid expenses and deposits	92,339	158,911
	3,295,325	2,699,672
RESTRICTED CASH (Note 3)	838,696	838,228
INVESTMENT IN AND ADVANCES TO RELATED PARTIES (Note 4)	738,600	285,819
CAPITAL ASSETS (Note 5)	27,069,159	27,619,766
	\$ 31,941,780	\$ 31,443,485
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,567,351	\$ 1,556,850
Government remittances payable	119,324	-
Vacation payable	265,203	234,419
Deferred revenue	2,002,841	1,749,980
Security deposits	315,264	277,413
Current portion of long-term debt (Note 7)	653,911	553,883
	4,923,894	4,372,545
LONG-TERM DEBT (Note 7)	18,002,146	17,993,062
FORGIVABLE LOANS (Note 8)	2,156,358	2,321,296
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 9)	5,195,074	5,240,978
	30,277,472	29,927,881
<b>NET ASSETS</b>		
REPLACEMENT RESERVE (Note 10)	664,148	627,830
INVESTED IN CAPITAL ASSETS	1,724,656	1,710,547
ACCUMULATED DEFICIT	(724,496)	(822,773)
	1,664,308	1,515,604
	\$ 31,941,780	\$ 31,443,485

CONTINGENT LIABILITIES (Note 4)  
 SUBSEQUENT EVENT (Notes 5 & 7)  
 COMMITMENTS (Note 11)

Approved by the Board:



Director



Director



**ATIRA WOMEN'S RESOURCE SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	Replacement reserve	Invested in capital assets	Accumulated deficit	Total 2016	Total 2015 (Note 14)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	\$ 627,830	\$ 1,710,547	\$ (531,478)	\$ 1,806,899	\$ 1,766,343
Restatement of prior year deficiency of revenue over expenses for the year (Note 14)	-	-	(291,295)	(291,295)	-
Restated net assets (deficit) beginning of year	627,830	1,710,547	(822,773)	1,515,604	1,766,343
Excess (deficiency) of revenue over expenses for the year	-	-	94,495	94,495	(402,828)
Increase in replacement reserve	142,540			142,540	151,514
Expenses charged to replacement reserve	(133,462)	-	-	(133,462)	(85,391)
Transfer of operating funds to replacement reserve	27,240	-	-	27,240	-
Acquisition of capital assets	-	26,868	(26,868)	-	-
Amortization of capital assets	-	(577,477)	577,477	-	-
Amortization of deferred contributions related to capital assets	-	140,927	(140,927)	-	-
Forgivable loan funding used to purchase capital assets that will not be amortized	-	17,891	-	17,891	85,966
Amortization of forgivable loans	-	52,024	(52,024)	-	-
Repayment of long-term debt	-	353,876	(353,876)	-	-
NET ASSETS (DEFICIT), END OF YEAR	\$ 664,148	\$ 1,724,656	\$ (724,496)	\$ 1,664,308	\$ 1,515,604



**ATIRA WOMEN'S RESOURCE SOCIETY**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	2016	2015 (Note 14)
<b>REVENUE</b>		
BC Housing Management Commission	\$ 16,973,594	\$ 15,700,601
Rent	5,907,119	5,896,556
Donations and grants	864,077	1,020,166
Other income (Note 12)	358,846	233,064
Ministry of Justice	248,044	247,828
Ministry of Social Development and Social Innovation	134,920	136,640
Vancouver Coastal Health Authority	118,956	117,082
Gaming	99,718	99,049
Law Foundation of BC	78,000	95,000
Fraser Health Authority	56,802	55,643
<b>TOTAL REVENUE</b>	<b>24,840,076</b>	<b>23,601,629</b>
<b>EXPENSES</b>		
Advertising and promotion	3,505	11,306
Bad debts and write-down of receivables	251,345	170,831
Development expense	1,440,080	1,161,293
Dues and memberships	11,734	17,248
Food, kitchen supplies and direct client expenses	51,584	321,461
Fundraising	9,476	6,326
Insurance	121,596	129,124
Interest and bank charges	6,819	5,802
Interest on long-term debt	747,739	757,205
Legal and accounting	239,209	125,653
Memberships, licences and permits	6,213	4,733
Office supplies	186,680	174,037
Professional fees	169,893	243,737
Property management fees	547,200	383,614
Property taxes	41,073	13,880
Rent	2,249,601	2,332,472
Rent supplement	392,385	39,746
Repairs and maintenance	1,806,257	1,797,582
Replacement reserve	142,540	151,514
Security	9,193	2,259
Telecommunications	176,935	166,573
Training and education	89,885	64,758
Travel and mileage	54,346	57,267
Utilities	1,104,333	1,113,136
Wages and employee benefits	14,748,515	14,134,263
<b>TOTAL EXPENSES</b>	<b>24,608,136</b>	<b>23,385,820</b>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>231,940</b>	<b>215,809</b>
AMORTIZATION OF FORGIVABLE LOANS (Note 8)	52,024	66,288
AMORTIZATION OF DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 9)	140,927	162,643
AMORTIZATION OF CAPITAL ASSETS	(577,477)	(573,807)
<b>NET AMORTIZATION EXPENSE</b>	<b>(384,526)</b>	<b>(344,876)</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE BCHMC RECOVERY (EXPENSE)</b>	<b>(152,586)</b>	<b>(129,067)</b>
<b>BCHMC RECOVERY (EXPENSE)</b>	<b>247,081</b>	<b>(273,761)</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ 94,495</b>	<b>\$ (402,828)</b>



**ATIRA WOMEN'S RESOURCE SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>2016</b>	<b>2015</b> (Note 14)
<b>CASH FROM OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses for the year	\$ 94,495	\$ (402,828)
Items not involving cash		
Amortization of capital assets	577,477	573,807
Amortization of deferred contributions related to capital assets	(140,927)	(162,643)
Amortization of forgivable loans	(52,024)	(78,262)
Write off of capital assets and associated funding	-	17,206
	479,021	(52,720)
Change in non-cash working capital items		
Accounts receivable	(98,304)	156,952
Sales tax rebate	(15,733)	8,904
Accrued receivable – BCHMC	220,451	510,475
Prepaid expenses and deposits	66,572	2,444
Accounts payable and accrued liabilities	10,501	137,600
Government remittances payable	119,324	-
Vacation payable	30,784	(17,300)
Deferred revenue	252,861	280,702
Security deposits	37,851	11,030
	1,103,328	1,038,087
<b>FINANCING ACTIVITIES</b>		
Advances to related parties	(452,783)	(46,960)
Receipt of contributions related to capital assets	-	320,666
Proceeds from long-term debt	462,988	950,000
Repayment of long-term debt	(353,876)	(1,173,259)
	(343,671)	50,447
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	(26,868)	(320,141)
Increase in replacement reserve	142,540	151,514
Expenses charged to replacement reserve	(133,462)	(85,391)
Transfer of operating funds to replacement reserve	27,240	-
	9,450	(254,018)
<b>INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>769,107</b>	<b>834,516</b>
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<b>2,484,207</b>	<b>1,649,691</b>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<b>\$ 3,253,314</b>	<b>\$ 2,484,207</b>
<b>CASH AND EQUIVALENTS ARE COMPRISED OF:</b>		
Cash	\$ 1,964,397	\$ 1,625,759
Term deposits	450,221	20,220
Restricted cash (Note 3)	838,696	838,228
	<b>\$ 3,253,314</b>	<b>\$ 2,484,207</b>





**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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**HERSTORY AND NATURE OF THE SOCIETY**

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

The Society operates five transition houses for women and children in the White Rock and Surrey area, one housing program in Burnaby and eight more housing programs in Vancouver. Support programs are provided for parents and children who have witnessed and/or experienced abuse, legal advocacy and outreach programs for First Nations/Metis, high risk pregnant women, and senior women. The Society is also involved in the construction and redevelopment of social housing projects in the Metro Vancouver area.

**1. SIGNIFICANT ACCOUNTING POLICIES**

Except as explained in Note 1(a) below, these financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook – Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

**a) Basis of presentation**

In addition to following ASNPO, these financial statements follow certain significant accounting policies to comply with the basis of accounting required by the British Columbia Housing Management Commission ("BCHMC"). The basis of accounting used in these financial statements differs from ASNPO because amortization is not provided on certain buildings over their estimated useful lives but rather at a rate equal to the annual principal repayments of the related mortgages. In addition, the annual provisions for the residential replacement reserves are charged to operations.

The Society's financial statements are prepared on a going concern basis, which contemplates the realization of assets and discharge of liabilities in the normal course of operations for the foreseeable future.

As at March 31, 2016, the Society has a working capital deficiency of \$1,628,569 (2015 – working capital deficiency of \$1,672,873) and an accumulated deficit of \$724,496 (2015 – accumulated deficit of \$822,773). The continued operation of the Society is dependent upon the support of its members, donors, creditors, BCHMC and other government funding agencies. The Society's management continues to work closely with BCHMC to develop budgets that will enable the continued operation of the Society's programs. The Society's budgeting process takes into account all available information including future expectations up to at least one year from the date of the statement of financial position.

For the year ended March 31, 2016, the Society's revenue consists of approximately 71% (2015 – 70%) received from BCHMC and other government funding agencies.





**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of presentation (continued)

In addition, the Society has accrued a receivable of \$329,612 (2015 - \$550,063) due from BCHMC as at March 31, 2016. This amount is comprised of the anticipated result of BCHMC's financial review of the year ended March 31, 2015 and subsequent negotiations between the Society and BCHMC, and management's best estimate of the anticipated results of the pending financial review by BCHMC for the year ended March 31, 2016 as follows:

March 31, 2015 – estimated receivable due from BCHMC	\$	54,884
March 31, 2016 – estimated receivable due from BCHMC		274,728
	\$	<u>329,612</u>

Management has based its estimate for the year ended March 31, 2016 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, 2016 could materially differ from the amount estimated by management.

b) Financial instruments

Measurement

The Society's financial instruments consist of cash, restricted cash, term deposits, accounts receivable, investment in and advances to related parties, bank line of credit, accounts payable and long-term debt.

The Society initially measures all of its financial assets and liabilities at fair value. The Society subsequently measures all of its financial assets and liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

c) Cash and equivalents

Cash and equivalents consists of cash on deposit, restricted cash and term deposits which are subject to an insignificant risk of change in fair value, have a maturity of less than one year and are readily convertible to cash.



**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Investment in subsidiaries and controlled not-for-profit organizations**

The Society owns 100% of the issued and outstanding share capital of Atira Property Management Inc. ("APMI") and The Painter Sisters Painting Company Ltd. ("TPSPC"). APMI and TPSPC's results are not consolidated; they are reported using the equity method of accounting for investments and by providing the disclosure recommended under Part III of the CPA Canada Handbook – Accounting.

In addition, the Society controls Atira Development Society ("ADS"), a not-for-profit organization, through common directors and management. ADS's results are not consolidated; they are reported by providing the disclosure recommended under Part III of the CPA Canada Handbook – Accounting.

**e) Capital assets**

Capital assets are stated at cost less accumulated amortization.

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.

The Society amortizes its other capital assets using the straight-line method and the following useful lives:

Buildings (Non-BCHMC)	25 – 60 years
Building renovations	15 years
Computer hardware	3 years
Computer software	3 years
Equipment	3 years
Furniture and fixtures	3 years
Leasehold improvements	Term of the lease
Land lease	Term of the lease

Capital assets under construction are not amortized until the completed capital assets are put in use.

The Society monitors the recoverability of capital assets based on their long-term service potential. When a capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs recognized under this policy are not reversed.

**f) Revenue recognition**

The Society follows the deferral method of accounting for contributions. 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.

Deferred revenue represents restricted operating funding received in the current period that is related to a subsequent period or designated for a specific expenditure that has not yet occurred. During the year, the Society recognized \$1,749,980 of previously deferred revenue as revenue and received funding of \$2,002,841 which it deferred in accordance with this policy.

Contributions restricted for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital asset. For contributions restricted for the purchase of a capital asset that will not be amortized, the contribution is recognized as a direct increase in net assets.



**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g) 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, or for contributions restricted for the purchase of a capital asset that will not be amortized, as a direct increase in net assets.

h) Replacement reserves

The annual provisions for the replacement reserves are charged to operations in accordance with BCHMC requirements and expenditures for renovations, repairs and maintenance are then charged against those reserves.

i) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenue and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the amounts recorded as accrued receivables due from BCHMC, the determination of the useful lives of assets used for determining amortization, measurement of deferred revenue and deferred contributions, and the amounts recorded as accrued liabilities.

**2. FINANCIAL INSTRUMENTS RISKS**

The Society's financial instruments are described in Note 1(b). In management's opinion, the Society is not exposed to significant currency, credit, liquidity, interest rate, market or other price risks except as described below. In addition, the Society is not exposed to any material concentrations of risk and there has been no change in risk exposures from the prior year.

Liquidity risk – The Society's working capital deficiency, accumulated deficit and economic dependency on BCHMC are disclosed in Note 1(a). These conditions elevate the Society's liquidity risk. Management regularly monitors the Society's cash flow and continues to work with BCHMC to address this risk. Included as an offset within the accounts receivable presented on the statement of financial position as at March 31, 2016 is an allowance for doubtful accounts of \$149,039 (2015 - \$564,723).

**3. RESTRICTED CASH**

Restricted cash consists of the following:

	<b>2016</b>		<b>2015</b>	
Restricted replacement reserves	\$	716,098	\$	745,286
Security deposits		119,187		89,557
Other		3,411		3,385
	\$	838,696	\$	838,228



**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**4. INVESTMENT IN AND ADVANCES TO RELATED PARTIES**

	<b>2016</b>	<b>2015</b>
Share capital of APMI	\$ 1	\$ 1
Share capital of TPSPC	1	1
Advances to ADS	694,456	231,273
Advances (from) to APMI – Operating	(17,219)	16,847
Advances to APMI – SRO	61,361	40,158
Advances from TPSPC	-	(2,461)
	<b>\$ 738,600</b>	<b>\$ 285,819</b>

During the year, the Society entered in to a lending agreement with the Community Forward Fund (see Note 7) and subsequently advanced funds in the amount of \$462,988 to ADS. The advances to ADS, to APMI and from TPSPC have no specific repayment terms, are unsecured and are non-interest bearing.

**APMI**

APMI is a wholly owned subsidiary of the Society. It provides property management services across the Lower Mainland and northern Vancouver Island. Any net income generated by APMI is used to support the Society's objectives.

Included in the Society's other income is \$99,645 (2015 – \$47,659) of management fee revenue from APMI. Included in the Society's 2016 property management fee expenses is \$547,085 (2015 – \$383,604) paid to APMI.

Summary financial information for APMI for the year ended March 31 is as follows:

	<b>2016</b>	<b>2015</b>
Total assets	\$ 343,252	\$ 426,391
Total liabilities	(760,071)	(813,582)
Shareholder's deficit	\$ (416,819)	\$ (387,191)
Total revenue	\$ 7,777,162	\$ 7,690,938
Total expenses	(7,806,790)	(7,633,349)
Net (loss) income	\$ (29,628)	\$ 57,589

Cash inflow (outflow) from:

Operating activities	\$ (46,359)	\$ 211,647
Investing activities	\$ 38,289	\$ (11,831)
Financing activities	\$ (47,690)	\$ (66,455)



**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**4. INVESTMENT IN AND ADVANCES TO RELATED PARTIES (Continued)**

APMI (continued)

The Society is identified as a co-borrower in a lending agreement with VanCity Capital Corporation. The lending agreement provides APMI with a non-revolving term loan of up to \$475,000. As at March 31, 2016, the outstanding balance of the loan was \$323,010 (2015 - \$370,700). The Society has pledged security in connection with this loan in the form of a general security agreement, second mortgage charge over land and buildings held by the Society and an assignment of related rents and insurance.

Under its lending agreement with VanCity Capital Corporation, APMI is subject to financial covenants which include maintaining a minimum working capital ratio, as defined, of not less than 1:1. As at March 31, 2016, APMI was not in compliance with this covenant, which is an event of default under the agreement. VanCity Capital Corporation has notified APMI of its breach of its obligations under the lending agreement and APMI has accordingly classified the portion of the loan due beyond one year from the balance sheet date as a current liability. As at March 31, 2016, the reclassified portion of the loan was \$291,128 (2015 - \$319,823) which is included in the total outstanding balance of the loan noted above.

TPSPC

TPSPC is a wholly owned subsidiary of the Society which is currently inactive. At present, TPSPC has no assets or liabilities and did not have any transactions during the year. Previously, TPSPC provided job training and client skills development through the provision of painting services throughout the Lower Mainland.

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. ADS has a January 31 year end. The following financial information of ADS is as at January 31 and for the year then ended. There have been no significant events or transactions in the intervening time period between January 31 and March 31.

	2016	2015
Total assets	\$ 7,021,684	\$ 4,832,665
Total liabilities	(7,031,612)	(4,725,250)
Accumulated (deficit) net assets	\$ (9,928)	\$ 107,415
Total revenue	\$ 183,893	\$ 701
Total expenses	301,236	22,955
(Deficiency) excess of revenue over expenses	\$ (117,343)	\$ (22,254)
Cash inflow (outflow) from:		
Operating activities	\$ (184,477)	\$ 236,474
Investing activities	\$ (1,837,496)	\$ (418,524)
Financing activities	\$ 1,769,617	\$ 302,916

During the year, the City of Vancouver awarded the Society a capital funding grant of \$1.2m to be used towards the costs of redeveloping property owned by ADS. Since the grant is designated for property owned by ADS, it has been accounted for directly on ADS's statement of financial position.





**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**4. INVESTMENT IN AND ADVANCES TO RELATED PARTIES (Continued)**

ADS (continued)

The Society is also identified as a co-borrower and covenantor in a lending agreement between ADS and BCHMC. The lending agreement initially provided ADS with a demand loan of up to \$4,864,215. Subject to the terms of a commitment letter dated December 15, 2015, the total loan principal available to ADS from BCHMC increased to \$10,068,264 and continues to be due on demand. As at March 31, 2016, the outstanding balance of the loan was \$4,252,601 (2015 - \$2,600,000). The Society has pledged security in connection with this loan in the form of a covenantor's agreement. In addition, the Society is identified as a corporate guarantor in a lending agreement between ADS and VanCity Capital Corporation. The lending agreement provides ADS with a variable rate investment mortgage totalling \$1,350,000. The Society has pledged security in connection with this loan in the form of a general security agreement. As at March 31, 2016, the outstanding balance of the loan was \$1,350,000 (2015 - \$1,350,000).

**5. CAPITAL ASSETS**

			<b>2016</b>	<b>2015</b>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 2,345,314	\$ -	\$ 2,345,314	\$ 2,345,314
Buildings	26,383,822	3,028,029	23,355,793	23,829,166
Building renovations	667,350	109,024	558,326	602,851
Computer hardware	2,892	762	2,130	2,281
Computer software	8,451	1,161	7,290	-
Equipment	32,388	22,154	10,234	13,688
Furniture and fixtures	69,386	50,985	18,401	39,903
Leasehold improvements	341,802	131,601	210,201	235,107
Development costs	145,294	-	145,294	126,877
Land lease	504,155	87,979	416,176	424,579
	<b>\$ 30,500,854</b>	<b>\$ 3,431,695</b>	<b>\$ 27,069,159</b>	<b>\$ 27,619,766</b>

Buildings include \$968,940 related to a facility on land leased from The Synod of the Diocese of New Westminster. The land has been leased until December 31, 2055. Upon expiration of the lease, the building and all fixtures become property of the landlord. Buildings also include \$4,762,010 related to a facility constructed on land leased from BCHMC. The net book value of the land lease is noted above as \$416,176. Subsequent to year end, as explained in Note 7, the Society acquired title to the underlying real property by assuming a mortgage debt of \$138,387. The Society anticipates that the fair value of the land is in excess of the net book value of the land lease and the value of the assumed mortgage. The land will be recorded at its fair value in fiscal 2017 with any excess over the net book value of the land lease and the value of the assumed mortgage recorded as a direct increase to net assets.

Development costs represent construction in progress and will not be amortized until the completed asset is put in use. The continuity of the carrying amount of development costs is as follows:

	<b>2016</b>	<b>2015</b>
Balance at beginning of year	\$ 126,877	\$ 486,797
Development costs incurred during the year	18,417	261,656
Less: development costs reclassified to land and buildings, and building renovations	-	(621,576)
<b>Balance at end of year</b>	<b>\$ 145,294</b>	<b>\$ 126,877</b>



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**6. BANK LINE OF CREDIT**

The Society has an operating line of credit to a maximum of \$215,000 with Vancouver City Savings Credit Union ("VanCity"). Funds advanced under this line of credit bear interest at 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, 2016, \$1,518 of the line of credit was utilized (2015 - \$1,575).

**7. LONG-TERM DEBT**

	2016	2015
TD Canada Trust mortgage, interest at 4.016% per annum, payable in blended monthly instalments of \$59,039, due July 1, 2021, secured by property at 13733 92 <sup>nd</sup> Avenue in Surrey, BC	\$ 12,462,947	\$ 12,670,454
TD Canada Trust mortgage, interest at 5.068% per annum, payable in blended monthly instalments of \$22,226, due June 1, 2021, secured by property at 100 East Cordova Street, Vancouver, BC	3,387,599	3,481,798
VanCity mortgage, interest at 3.65% per annum, payable in blended monthly instalments of \$4,332, due December 17, 2019 secured by a first mortgage charge and assignment of rents over property at 1010 Sperling Ave, Burnaby, BC	927,521	945,477
Peoples Trust Company loan, bearing interest at 3.84% per annum, payable in monthly blended instalments of \$3,020, due November 1, 2023, secured by property at 120 Jackson Avenue, Vancouver, BC	676,680	686,928
Community Forward Fund (the "Fund") bridge loan of up to \$1,350,000, bearing interest at 6.25% per annum, repayable and due December 31, 2017 as described below, secured by a specific assignment of 100% of the cash proceeds arising from the Society's 41 East Hastings Capital Campaign which are to be deposited in a segregated account at VanCity, a full subordination and postponement by VanCity of its security and rights of repayment to the Fund as to the funds deposited in the segregated account	462,988	-
Peoples Trust Company loan, bearing interest at 2.28% per annum, payable in monthly blended instalments of \$1,554, due September 1, 2019, secured by property at 100 East Cordova Street, Vancouver, BC	391,081	400,734
Greater Vancouver Community Assistance Foundation demand promissory note, bearing interest at 2% per annum, no fixed terms of repayment or due date, unsecured	200,000	200,000
VanCity mortgage, interest at 4.25% per annum, payable in blended bi-weekly instalments of \$400, due August 27, 2018 and also as described below, secured by a general security agreement, second mortgage charge over property at 14523 16 <sup>th</sup> Avenue, Surrey, BC and assignment of rents and insurance	91,601	98,011
British Columbia Housing Management Corporation mortgage, interest at 2.11% per annum, payable in blended monthly instalments of \$764, due January 1, 2019, secured by a first mortgage charge over property at 14482 16A Avenue, Surrey, BC	55,640	63,543
	18,656,057	18,546,945
Less: current portion	(653,911)	(553,883)
	\$ 18,002,146	\$ 17,993,062





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**7. LONG-TERM DEBT (Continued)**

The portion of long-term debt classified as a current liability includes the amount scheduled for repayment in the next fiscal year as well as amounts which are callable by the lender under the terms of the lending agreement.

The due date of the Community Forward Fund loan is December 31, 2017. In addition to the requirement to fully repay the loan by the due date, the Society must also make repayments such that the balance of loan does not exceed the thresholds noted below as at the specified dates:

June 30, 2016	\$	1,300,000
December 31, 2016	\$	650,000
June 30, 2017	\$	325,000

The VanCity lending agreement related to the property located at 14523 16<sup>th</sup> Avenue, Surrey, BC requires the Society to maintain a debt service coverage ratio equal to or greater than 1.10. As at March 31, 2016, the Society was not in compliance with the debt service coverage ratio which is an event of default under the agreement. Accordingly, the full balance of this loan has been presented as a current liability.

On April 1, 2016, the Provincial Rental Housing Corporation ("PRHC") signed an agreement with the Society to transfer the ownership of real property located at 100 East Cordova Street, Vancouver, B.C. from the PRHC to the Society. The Society also assumed debt related to the property which is comprised of a mortgage of \$138,387 with Peoples Trust Company, bearing interest at 2.405% per annum, payable in blended monthly instalments of \$487, due May 1, 2026, which is secured by the property.

Principal repayments over the next five years, including the effect of amounts callable by the lender or otherwise coming due under the terms of the lending agreements and the debt arising subsequent to year end described above, are anticipated to be as follows:

2017	\$	656,039
2018	\$	843,178
2019	\$	394,840
2020	\$	1,247,575
2021	\$	389,328
Thereafter	\$	15,263,487



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**8. FORGIVABLE LOANS**

	<b>2016</b>	<b>2015</b>
Canada Mortgage and Housing Corporation \$2,400,000 mortgage at 0% interest per annum, forgiven over 15 years commencing 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, 2016 is \$2,026,667.	\$ 1,572,785	\$ 1,699,859
BCHMC \$500,000 mortgage at 0%, 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, 2016 is \$495,000.	458,334	466,667
Canada Mortgage and Housing Corporation \$695,000 mortgage at 0% interest per annum, forgiven over 15 years commencing on an interest adjustment date to be determined, repayable in full if agreed purpose changes, total principal available of \$700,000, secured by a first mortgage charge over property at 420 Hawks Avenue, Vancouver, BC and assignment of rents. Unforgiven balance on March 31, 2016 is \$695,000.	92,224	110,116
Canada Mortgage and Housing Corporation \$174,688 mortgage at 0% interest, forgiven at a rate of \$11,646 per annum, over 15 years beginning October 2003, repayable in full if agreed purpose changes, secured by a first mortgage charge over property at 14523 16 <sup>th</sup> Avenue, Surrey, BC and assignment of related rents. Unforgiven balance on March 31, 2016 is \$33,967.	33,015	44,654
	<b>\$ 2,156,358</b>	<b>\$ 2,321,296</b>

Pursuant to the policy described in Note 1(g), the reduction in the principal of forgivable loans used to acquire capital assets follows the amortization expense of those capital assets, notwithstanding that the terms of forgiveness in the loan agreement may differ. Forgiven principal amounts in excess of the amount determined by following the policy described in Note 1(g) are transferred to deferred contributions related to capital assets. Principal amounts which have purchased capital assets that will not be amortized are transferred to net assets. The continuity of the carrying amount of the Society's forgivable loans is accordingly as follows:

	<b>2016</b>	<b>2015</b>
Balance at beginning of year	\$ 2,321,296	\$ 2,554,310
Amortized to revenue	(52,024)	(78,262)
Transferred to deferred contributions related to capital assets	(95,023)	(68,786)
Transferred to net assets	(17,891)	(85,966)
Balance at end of year	<b>\$ 2,156,358</b>	<b>\$ 2,321,296</b>

The Society's forgivable loan arrangements require that the funds be spent as agreed upon by the Society and lender, otherwise the loans will become repayable by the Society.



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**9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

	<b>2016</b>	<b>2015</b>
Balance at beginning of year	\$ 5,240,978	\$ 5,014,169
Contributions received	-	320,666
Transferred from forgivable loans	95,023	68,786
Amortized to revenue	(140,927)	(162,643)
Balance at end of year	<u>\$ 5,195,074</u>	<u>\$ 5,240,978</u>

**10. REPLACEMENT RESERVE**

The amount presented as replacement reserves is comprised of an externally restricted amount required by BCHMC and an internally restricted amount determined by the Society's management as follows:

	<b>2016</b>	<b>2015</b>
Externally restricted	\$ 619,962	\$ 576,993
Internally restricted	44,186	50,837
	<u>\$ 664,148</u>	<u>\$ 627,830</u>

The accounting policy described in Note 1(h) is applied to both internally restricted and externally restricted replacement reserves.

**11. COMMITMENTS**

The Society leases premises and equipment under agreements which expire on various dates through 2020. Minimum payments during the next four years, excluding operating costs, are anticipated to be as follows:

2017	\$ 1,812,964
2018	\$ 1,616,769
2019	\$ 1,225,112
2020	\$ 72,000

**12. OTHER INCOME**

Other income consists of the following:

	<b>2016</b>	<b>2015</b>
Special events and other revenue	\$ 249,331	\$ 168,461
APMI management fees	99,645	47,659
Interest income	9,870	16,944
	<u>\$ 358,846</u>	<u>\$ 233,064</u>



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**ATIRA WOMEN'S RESOURCE SOCIETY**  
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**13. 525 ABBOTT STREET**

The Society operates a supportive housing program at 525 Abbott Street. The Society neither owns or leases this space and has no on-going commitments or contractual obligations in respect of the land and building at this address.

**14. RETROSPECTIVE RESTATEMENT**

During the year, the Society determined that certain amounts with a net total of \$291,295 were recognized as revenue for the year ended March 31, 2015 in error. Although the net amount of \$291,295 was collected as cash during fiscal 2015, the funds were not spent until fiscal 2016 and were restricted for use during fiscal 2016. In accordance with the Society's revenue recognition policy disclosed in Note 1(f), the amount of \$291,295 should have been recorded as deferred revenue on the Society's statement of financial position as at March 31, 2015. As a result, the fiscal 2015 financial statements presented for comparative purposes have been restated to decrease revenue and increase deferred revenue by \$291,295. The Society's liabilities and net assets as at March 31, 2015, as well as its deficiency of revenue over expenses for the year then ended have also been restated due to this correction.

In addition to the retrospective restatement, certain comparative figures for 2015 have been reclassified to ensure comparability with the presentation format adopted for the current period. These additional reclassifications do not have any effect on the Society's previously reported deficiency of revenue over expenses, assets, liabilities or net assets for the year ended and as at March 31, 2015.

