

---

**ATIRA WOMEN'S RESOURCE SOCIETY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**

---



---

## INDEPENDENT AUDITORS' REPORT

---

To the Members of Atira Women's Resource Society

### Report on the Financial Statements

#### Qualified Opinion

We have audited the financial statements of Atira Women's Resource Society (the "Society"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Qualified Opinion

In common with many 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, excess of revenue over expenses, cash flows from operations, assets, liabilities and net assets for the year ended and as at March 31, 2019. Our audit opinion on the financial statements for the prior year ended March 31, 2018 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



---

## **INDEPENDENT AUDITORS' REPORT**

---

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

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

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



---

## INDEPENDENT AUDITORS' REPORT

---

- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

As required by the British Columbia Societies Act, 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 with the preceding year.

*Manning Elliott LLP*

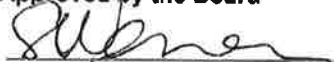
Chartered Professional Accountants  
Vancouver, British Columbia  
September 26, 2019

**ATIRA WOMEN'S RESOURCE SOCIETY  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2019**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 5,476,526	\$ 2,842,231
Term deposits	270,674	268,440
Accounts receivable (Note 2)	2,307,195	1,266,828
Sales tax rebate receivable	90,825	59,298
Accrued receivable - BCHMC (Note 1(a))	-	78,322
Prepaid expenses and deposits	245,083	154,860
	<b>8,390,303</b>	<b>4,669,979</b>
RESTRICTED CASH (Note 3)	787,877	837,265
INVESTMENT IN RELATED PARTIES (Note 4)	2	2
CAPITAL ASSETS (Note 5)	37,890,961	37,173,212
	<b>\$ 47,069,143</b>	<b>\$ 42,680,458</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 3,102,710	\$ 2,495,420
Government remittances payable	189,006	105,303
Accrued payable - BCHMC (Note 1(a))	1,105,603	-
Vacation payable	398,087	326,210
Deferred revenue (Note 1(f))	3,328,634	3,144,808
Security deposits	400,293	377,466
Current portion of long-term debt (Note 7)	431,031	412,417
	<b>8,955,364</b>	<b>6,861,624</b>
LONG-TERM DEBT (Note 7)	20,669,996	17,552,157
FORGIVABLE LOANS (Note 8)	5,581,739	4,771,714
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 9)	5,482,427	5,079,899
ADVANCES FROM RELATED PARTIES (Note 4)	372,397	6,144
	<b>41,061,923</b>	<b>34,271,538</b>
<b>NET ASSETS</b>		
ACCUMULATED DEFICIT	(301,782)	(1,565,526)
INVESTED IN CAPITAL ASSETS	5,725,769	9,357,025
REPLACEMENT RESERVE (Note 10)	583,233	617,421
	<b>6,007,220</b>	<b>8,408,920</b>
	<b>\$ 47,069,143</b>	<b>\$ 42,680,458</b>

CONTINGENT LIABILITIES (Notes 4, 11)  
SUBSEQUENT EVENTS (Note 7)  
COMMITMENTS (Note 12)

Approved by the Board



Director



Director

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	Accumulated deficit	Invested in capital assets	Replacement reserve	2019	2018
NET ASSETS (DEFICIT), BEGINNING OF YEAR	\$ (1,565,526)	\$ 9,357,025	\$ 617,421	\$ 8,408,920	\$ 2,491,643
Excess (deficiency) of revenue over expenses	1,103,981	-	-	1,103,981	(595,555)
Increase in replacement reserve	-	-	126,290	126,290	126,290
Expenses charged to replacement reserve	-	-	(171,513)	(171,513)	(241,187)
Interest received on replacement reserve	-	-	11,035	11,035	6,795
Acquisition of capital assets	(1,450,289)	1,450,289	-	-	-
Amortization of capital assets	732,539	(732,539)	-	-	-
Deferred contributions related to capital assets received during the year	473,658	(473,658)	-	-	-
Amortization of deferred contributions related to capital assets	(166,153)	166,153	-	-	-
Forgivable loan funding received during the year related to capital assets	1,193,090	(1,193,090)	-	-	-
Forgivable loan funding used to purchase capital assets that will not be amortized	-	17,357	-	17,357	6,620,934
Forgivable loan funding not amortized converted to long- term debt related to capital assets	-	61,150	-	61,150	-
Amortization of forgivable loans related to capital assets	(209,535)	209,535	-	-	-
Forgivable loan funding recorded directly to invested to capital assets converted to long-term debt related to capital assets (Note 7)	-	(3,550,000)	-	(3,550,000)	-
Repayment of long-term debt related to capital assets	(413,547)	413,547	-	-	-
NET ASSETS (DEFICIT), END OF YEAR	\$ (301,782)	\$ 5,725,769	\$ 583,233	\$ 6,007,220	\$ 8,408,920

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	2019	2018
<b>REVENUE</b>		
BC Housing Management Commission	\$ 26,431,751	\$ 20,650,645
Rent	8,196,979	7,601,481
Ministry of Children and Family Development	924,162	576,879
Donations and grants	846,786	443,313
Vancouver Coastal Health Authority	619,704	566,728
Federal funding	519,578	356,500
Administration charges and other income	474,911	492,476
Ministry of Public Safety & Solicitor General	352,941	231,700
Other funding	185,765	-
Parent fees childcare	173,421	122,220
Law Foundation of BC	126,136	86,955
Ministry of Social Development and Social Innovation	116,295	138,880
Gaming	100,000	100,000
Management fees	93,331	63,331
Fraser Health Authority	59,814	59,442
Interest income	43,950	22,917
	<b>39,265,524</b>	<b>31,513,467</b>
<b>OPERATING EXPENSES (Schedule 1)</b>	<b>37,546,432</b>	<b>31,542,649</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>1,719,092</b>	<b>(29,182)</b>
<b>AMORTIZATION OF FORGIVABLE LOANS (Note 8)</b>	<b>209,535</b>	<b>114,279</b>
<b>AMORTIZATION OF DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 9)</b>	<b>166,153</b>	<b>156,650</b>
<b>AMORTIZATION OF CAPITAL ASSETS</b>	<b>(732,539)</b>	<b>(636,097)</b>
	<b>(356,851)</b>	<b>(365,168)</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER EXPENSES</b>	<b>1,362,241</b>	<b>(394,350)</b>
<b>BCHMC EXPENSE (Note 14)</b>	<b>(258,260)</b>	<b>(201,205)</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ 1,103,981</b>	<b>\$ (595,555)</b>

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses for the year:	\$ 1,103,981	\$ (595,555)
Items not affecting cash:		
Amortization of capital assets	732,539	636,097
Amortization of deferred contributions related to capital assets	(166,153)	(156,650)
Amortization of forgivable loans related to capital assets	(209,535)	(114,279)
	<b>1,460,832</b>	<b>(230,387)</b>
Changes in non-cash working capital:		
Accounts receivable	(1,040,367)	(584,382)
Sales tax rebate receivable	(31,527)	(9,953)
Accrued receivable - BCHMC	78,322	251,267
Prepaid expenses and deposits	(90,223)	58,304
Accounts payable and accrued liabilities	607,291	1,106,574
Government remittances payable	83,703	(34,950)
Accrued payable - BCHMC	1,105,603	-
Vacation payable	71,877	56,383
Deferred revenue	183,826	792,616
Security deposits	22,827	41,722
	<b>991,332</b>	<b>1,677,581</b>
	<b>2,452,164</b>	<b>1,447,194</b>
<b>FINANCING ACTIVITIES</b>		
Repayment from (advances to) related parties	366,253	(9,093)
Receipt of contributions related to capital assets	473,658	-
Proceeds of forgivable loans	1,193,090	9,500,309
Proceeds from long-term debt related to capital assets	-	600,000
Repayment of long-term debt related to capital assets	(413,547)	(395,780)
	<b>1,619,454</b>	<b>9,695,436</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	(1,450,289)	(10,355,831)
Increase in replacement reserve	126,290	126,290
Interest received related to replacement reserve	11,035	6,795
Expenses charged to replacement reserve	(171,513)	(241,187)
Acquisition (redemption) of term deposits	(2,234)	184,947
	<b>(1,486,711)</b>	<b>(10,278,986)</b>
<b>INCREASE IN CASH DURING THE YEAR</b>	<b>2,584,907</b>	<b>863,644</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>3,679,496</b>	<b>2,815,852</b>
<b>CASH, END OF YEAR</b>	<b>\$ 6,264,403</b>	<b>\$ 3,679,496</b>
<b>CASH IS COMPRISED OF:</b>		
Cash	\$ 5,476,526	\$ 2,842,231
Restricted cash (Note 3)	787,877	837,265
	<b>\$ 6,264,403</b>	<b>\$ 3,679,496</b>



---

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

---

**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 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 33 housing programs, two community daycares and more than a dozen support programs, located across the Lower Mainland. In addition, the Society is the sole shareholder of Atira Property Management Inc., a for-profit social-purpose business launched in 2002, and supports two controlled not-for-profit organizations, Atira Development Society and Atira Women's Arts Society.

**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 and economic dependence**

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.

For the year ended March 31, 2019, the Society's revenue consists of approximately 75% (2018 – 71%) received from BCHMC and other government funding agencies.

As at March 31, 2019, the Society has a working capital deficiency of \$565,061 (2018 – working capital deficiency of \$2,191,645) and an accumulated deficit of \$301,782 (2018 – accumulated deficit of \$1,565,526). 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.

---

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

---

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Basis of presentation and economic dependence *(continued)*

In addition, the Society has accrued a payable of \$1,105,603 due to (2018 - accrued receivable of \$78,322 due from) BCHMC as at March 31, 2019. This amount is comprised of the anticipated result of BCHMC's financial review of the year ended March 31, 2019, and subsequent negotiations between the Society and BCHMC for the year ended March 31, 2019.

Management has based its estimate for the year ended March 31, 2019 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, 2019 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, advances from 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.

Transaction costs

The Society recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(c) Cash

Cash consists of cash on deposit and restricted cash.

---

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

---

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.

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.

The Society also controls Atira Women's Arts Society ("AWAS"), a not-for-profit organization, through common directors and management. AWAS'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	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 available for 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.

---

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

---

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

**(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 \$3,144,808 (2018 - \$2,352,192) of previously deferred revenue as revenue and received funding of \$3,328,634 (2018 - \$3,144,808) 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.

**(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, amounts recorded as accrued liabilities, estimate for contingent losses relating to the Society and the disclosure of contingencies and commitments.

**2. FINANCIAL INSTRUMENTS RISKS**

The Society's financial instruments are described in Note 1(a). In management's opinion, the Society is not exposed to significant, credit, liquidity, market, currency, interest or other price risks arising from these financial instruments, 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.

---

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

---

**2. FINANCIAL INSTRUMENTS RISKS** *(continued)*

Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to this risk mainly in respect of its accounts receivable. 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 maintains, if deemed necessary, a provision for potential credit losses, and any such losses to date have been within management's expectations.

Included as an offset within accounts receivable presented on the statement of financial position as at March 31, 2019 is an allowance for doubtful accounts of \$56,947 (2018 - \$85,894).

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and long-term debt. 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.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is exposed to interest rate risk.

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 rate term deposits and long-term debt. The interest rates related to the long-term debt are disclosed in Schedule 2. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure by reviewing its term deposits as they come due. In addition, the Society monitors fluctuations in interest rates and renegotiates its credit agreements as they come due.

**3. RESTRICTED CASH**

Restricted cash consists of the following:

	2019	2018
Restricted replacement reserves	\$ 581,244	\$ 627,240
Security deposits	205,161	208,578
Other	1,472	1,447
	<b>\$ 787,877</b>	<b>\$ 837,265</b>

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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

	<b>2019</b>	<b>2018</b>
Share capital of APMI	\$ 1	\$ 1
Share capital of TPSPC	1	1
	<b>\$ 2</b>	<b>\$ 2</b>
Advances to ADS	\$ 11,282	\$ 21,373
Advances from APMI - Operating	(124,490)	(24,304)
Advances from APMI - SRO	(280,222)	(25,324)
Advances to AWAS	21,033	22,111
	<b>\$ (372,397)</b>	<b>\$ (6,144)</b>

The advances to ADS and AWAS and from APMI 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. Any net income generated by APMI is used to support the Society's objectives.

Included in the Society's other income is \$98,609 (2018 - \$63,331) of management fee revenue from APMI. The Society has paid property management fee expenses of \$900,000 (2018 - \$594,933), rent of \$19,200 (2018 - \$19,200), and wages and benefits of \$146,943 (2018 - \$90,727) to APMI. In addition, the Society received a donation of \$152,718 (2018 - \$6,000) from APMI.

Summary financial information for APMI for the year ended March 31, 2019 is as follows:

	<b>2019</b>	<b>2018</b>
Total assets	\$ 444,411	\$ 301,647
Total liabilities	(782,603)	(688,338)
Shareholder's deficit	\$ (338,192)	\$ (386,691)
Total revenue	\$ 10,955,968	\$ 9,625,576
Total expenses	(10,907,469)	(9,587,596)
Net income	\$ 48,499	\$ 37,980

Cash inflow (outflow) from:

Operating activities	\$ 73,342	\$ 43,406
Investing activities	\$ 9,725	\$ (14,904)
Financing activities	\$ (40,727)	\$ (50,942)

---

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

---

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

APMI (continued)

The Society is identified as a guarantor in lending agreements between APMI and VanCity Capital Corporation. The lending agreements provide APMI with a variable rate term loan of up to \$194,578 (2018 - up to \$475,000) and a demand operating loan of up to \$50,000 (2018 - \$Nil). As at March 31, 2019, the outstanding balance of the loans was \$180,556 (2018 - \$220,655). 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 Capital Corporation, APMI is subject to a debt service coverage ratio, as defined of not less than 1:1. As at March 31, 2019, APMI was in compliance with this covenant.

Subsequent to year end, APMI is in the process of renewing its credit facilities with the VanCity Capital Corporation. The terms of the agreement are anticipated to remain as described in the original loan agreement.

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.

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 of art and crafts. AWAS commenced operations in September 2016.

Summary financial information for AWAS for the year ended March 31, 2019 is as follows:

	2019	2018
Total assets	\$ 55,190	\$ 30,606
Total liabilities	(23,542)	(22,085)
Net assets	\$ 31,648	\$ 8,521
Total revenue	\$ 38,736	\$ -
Total expenses	(15,609)	-
Excess of revenue over expenses	\$ 23,127	\$ -

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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

AWAS *(continued)*

Cash inflow (outflow) from:

Operating activities	\$	23,227	\$	(250)
Investing activities	\$	-	\$	-
Financing activities	\$	107	\$	22,085

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 and its significant accounting policies are consistent with those of the Society. The following financial information of ADS is as at January 31 and for the year then ended.

	2019	2018
Total assets	\$ 31,064,528	\$ 29,145,576
Total liabilities	(31,153,752)	(29,122,928)
Deficit (net assets)	\$ (89,224)	\$ 22,648
Total revenue	\$ 2,071,736	\$ 76,603
Total expenses	(2,288,840)	(47,676)
(Deficiency) excess of revenue over expenses	\$ (217,104)	\$ 28,927

Cash inflow (outflow) from:

Operating activities	\$ (729,590)	\$ 1,150,551
Investing activities	\$ (2,454,483)	\$ (12,565,670)
Financing activities	\$ 3,384,145	\$ 12,080,420

The Society has received a capital funding grant of \$1,040,000 from the Streethome Foundation to be used towards the costs of redeveloping property owned by ADS.

On January 4, 2019, ADS secured a first mortgage loan from MCAP Financial Corporation ("MCAP") up to an amount of \$17,655,403 with the purpose to repay construction financing previously provided by BCHMC. The terms of the MCAP first mortgage loan are as follows: interest of 2.70% per annum with blended monthly payments of \$60,040 commencing May 1, 2019. The MCAP first mortgage loan matures April 1, 2029. Security is provided through a general security agreement with ADS and the Society and a first mortgage charge over land and building at 41 East Hastings Street and an assignment of rents. ADS must also set aside \$73,195 per month as an allowance to complete major capital repairs.

On March 1, 2019, ADS repaid the BCHMC construction demand loan in the amount of \$17,769,867.



**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**5. CAPITAL ASSETS**

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 10,961,904	\$ -	\$ 10,961,904	\$ 10,961,904
Buildings	28,623,392	4,599,042	24,024,350	24,584,495
Building renovations	2,635,289	354,080	2,281,209	1,251,012
Computer hardware	10,663	9,150	1,513	4,318
Computer software	8,451	8,451	-	1,657
Equipment	32,388	27,236	5,152	5,681
Furniture and fixtures	69,386	69,386	-	173
Leasehold improvements	379,836	207,356	172,480	155,749
Development costs	444,353	-	444,353	208,223
	<b>\$ 43,165,662</b>	<b>\$ 5,274,701</b>	<b>\$ 37,890,961</b>	<b>\$ 37,173,212</b>

Buildings include \$968,940 (2018 - \$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.

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:

	2019	2018
Balance at beginning of year	\$ 208,223	\$ 166,661
Development costs incurred during the year	236,130	41,562
Balance at end of year	<b>\$ 444,353</b>	<b>\$ 208,223</b>

**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, 2019, the line of credit was not in use (2018 - \$Nil).

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**7. LONG-TERM DEBT**

	<b>2019</b>	<b>2018</b>
Long-term debt (Schedule 2)	<b>\$ 21,101,027</b>	\$ 17,964,574
Less: current portion	<b>(431,031)</b>	(412,417)
	<b>\$ 20,669,996</b>	\$ 17,552,157

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.

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 are anticipated to be as follows:

2020	\$ 431,031
2021	439,061
2022	18,019,011
2023	855,751
2024	658,735
Thereafter	697,438
	<u><b>\$ 21,101,027</b></u>

The VanCity lending agreement related to all of the Society's long-term debt with VanCity listed in Schedule 2 requires the Society to maintain a debt service coverage ratio equal to or greater than 1.10. As at March 31, 2019, the Society was in compliance with the debt service coverage ratio (2018 - not in compliance with the debt service coverage ratio).

During the year, the BCHMC forgivable loan related to the property located at 9155 King George Highway, Surrey, BC in the amount of \$3,550,000 was converted to a BCHMC mortgage, the terms of which are being finalized. Accordingly, the Society reclassified the forgivable loan in the amount of \$61,150 and the direct credit to net assets in the amount of \$3,488,850 to long-term debt.

Subsequent to year end, the Society renewed its lending agreement related to the property located at 100 Cordova Street East, Vancouver, BC with MCAP Financial Corporation. The terms of the mortgage are as follows: interest of 2.196% per annum, with blended monthly payments of \$1,539 commencing September 1, 2019. The MCAP mortgage matures September 1, 2029.

In addition, the Society is in the process of renewing its lending agreement with VanCity related to the property located at 1010 Sperling Avenue, Burnaby, BC. The terms of the agreement are anticipated to remain as described in the original loan agreement as described in Schedule 2.

**8. FORGIVABLE LOANS**

The forgivable loan balance as at March 31, 2019 totalled \$5,581,739 (2018 - \$4,771,714) as detailed in Schedule 3.

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**8. FORGIVABLE LOANS** *(continued)*

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>2019</b>	<b>2018</b>
Balance at beginning of year	\$ 4,771,714	\$ 2,101,642
Amortized to revenue	(209,535)	(114,279)
Funding received during the year	1,193,090	9,500,309
Transferred to deferred contributions related to capital assets	(95,023)	(95,023)
Funding converted to long-term debt	(61,150)	-
Directly credited to net assets	(17,357)	(6,620,935)
Balance at end of year	\$ 5,581,739	\$ 4,771,714

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.

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

	<b>2019</b>	<b>2018</b>
Balance at beginning of year	\$ 5,079,899	\$ 5,141,526
Contributions received during the year	473,658	-
Transferred from forgivable loans	95,023	95,023
Amortized to revenue	(166,153)	(156,650)
Balance at end of year	\$ 5,482,427	\$ 5,079,899

**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>2019</b>	<b>2018</b>
Externally restricted	\$ 525,214	\$ 560,273
Internally restricted	58,019	57,148
	\$ 583,233	\$ 617,421

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

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**11. CONTINGENT LIABILITY**

An entity of the size of the Society is susceptible to contingent liabilities as a result of its regular operations. The Society's management believes that the total amount of any contingent liabilities will not have a material adverse effect on the Society's financial position. In addition, any potential amount payable by the Society is indeterminable and consequently no provision for contingent liabilities has been made in these financial statements.

**12. COMMITMENTS**

On September 19, 2019, the Society signed an operator agreement with BCHMC for a term of three years commencing June 1, 2019 to manage and operate a supportive housing program located at 1119 Hornby Street, Vancouver, BC. The Society has a lease agreement in place and on-going commitments or contractual obligations in respect of the land and building at this address.

In addition, the Society leases premises and equipment under agreements which expire on various dates through 2024. Minimum payments during the next five years, excluding operating costs, are anticipated to be as follows:

2020	\$ 2,610,486
2021	2,178,742
2022	1,858,311
2023	910,197
2024	730,964
Thereafter	2,365,450
	<u>\$ 10,654,150</u>

**13. WAGES AND EMPLOYEE BENEFITS**

Wages and employee benefits expense include seven employees that earned over \$75,000 during the year ended March 31, 2019, for a total of \$723,973 (March 31, 2018 - four employees that earned over \$75,000 for a total of \$410,077).

**14. BCHMC EXPENSE**

	<b>2019</b>	<b>2018</b>
2014-2018 BCHMC review adjustment (recovery) expense	<b>\$ (847,343)</b>	<b>\$ 279,129</b>
2019 BCHMC review estimate expense	<b>1,105,603</b>	<b>-</b>
2018 BCHMC review estimate recovery	<b>-</b>	<b>(77,924)</b>
	<b>\$ 258,260</b>	<b>\$ 201,205</b>

As at March 31, 2019, management has estimated a repayable amount of \$1,105,603 due to BCHMC based on the individual programs' net surpluses and deficits for the year then ended.

---

**ATIRA WOMEN'S RESOURCE SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**

---

**15. SUPPORTIVE HOUSING PROGRAMS**

The Society operates a supportive housing program located at 525 Abbott Street, Vancouver, BC. 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.

The Society operates a supportive housing program and childcare centre located at 7468 Lansdowne Road, Richmond, BC. The Society signed an operator agreement with BCHMC on behalf of the Provincial Rental Housing Corporation ("PRHC") for a term of ten years commencing May 2, 2017. 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.

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**OPERATING EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**(Schedule 1)**

	2019	2018
OPERATING EXPENSES		
Advertising and promotion	\$ 12,667	\$ 2,437
Bad debt	227,762	158,437
Direct client expenses	481,426	373,737
Dues and memberships	19,545	6,718
Employment reserve expense	15,099	-
Food, kitchen supplies and direct client expenses	1,737,865	1,424,578
Fundraising	122,023	113,897
Insurance	171,941	142,495
Interest and bank charges	10,348	9,658
Interest on long-term debt	712,894	728,027
Legal and accounting	204,126	188,653
Memberships, licences and permits	4,241	11,397
Office supplies	291,183	279,036
Other expenses	981	18,371
Professional fees	125,411	107,027
Property management fees (Note 4)	900,180	611,574
Property taxes	47,836	28,779
Rent	2,702,370	2,469,270
Rent supplement	310,101	381,741
Repairs and maintenance	4,097,040	2,965,653
Replacement reserve	126,290	126,290
Restoration expense	761,795	914,442
Security	256,889	89,686
Telecommunications	222,687	174,042
Training and education	62,601	48,441
Travel and mileage	77,536	68,547
Utilities	1,634,024	1,442,732
Wages and employee benefits (Note 13)	22,209,571	18,656,984
	<b>\$ 37,546,432</b>	<b>\$ 31,542,649</b>

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**LONG-TERM DEBT**  
**AS AT MARCH 31, 2019**

**(Schedule 2)**

	<b>2019</b>	<b>2018</b>
MCAP mortgage bearing interest at 4.016% per annum, repayable in monthly blended payments of \$59,039. The mortgage matures on July 1, 2021 and is secured by property at 13733 92nd Avenue, Surrey, BC.	<b>\$ 11,788,545</b>	<b>\$ 12,022,341</b>
British Columbia Housing Management Commission mortgage as described in Note 7.	<b>3,550,000</b>	-
MCAP mortgage bearing interest at 5.068% per annum, repayable in monthly blended payments of \$22,226. The mortgage matures on June 1, 2021 and is secured by property at 100 East Cordova Street, Vancouver, BC.	<b>3,074,993</b>	<b>3,184,451</b>
VanCity mortgage bearing interest at 3.65% per annum, repayable in monthly blended payments of \$4,332. The mortgage matures on December 17, 2019 and is secured by a first mortgage charge and assignment of rents over property at 1010 Sperling Avenue, Burnaby, BC.	<b>869,294</b>	<b>889,386</b>
Peoples Trust Company loan bearing interest at 3.84% per annum, repayable in monthly blended payments of \$3,020. The loan matures on November 1, 2023 and is secured by property at 120 Jackson Avenue, Vancouver, BC.	<b>643,492</b>	<b>654,979</b>
Peoples Trust Company loan bearing interest at 2.28% per annum, repayable in monthly blended payments of \$1,554. The loan matures on September 1, 2019 and is secured by property at 100 East Cordova Street, Vancouver, BC.	<b>360,772</b>	<b>371,105</b>
VanCity mortgage bearing interest at 2.64% per annum, repayable in monthly blended payments of \$1,595. The loan matures on September 11, 2024 and is secured by an assignment of rents and property at 9144 135A Street, Surrey, BC.	<b>331,331</b>	<b>341,623</b>
VanCity Community Foundation program-related investment loan bearing interest at 0% per annum, due on demand. The loan matures on May 30, 2022 and is secured by a second mortgage and assignment of rents over the property and a general security agreement from the Society over all present and after-acquired property.	<b>250,000</b>	<b>250,000</b>
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.	<b>130,977</b>	<b>133,650</b>
Vancity mortgage bearing interest at 4.25% per annum, repayable in bi-weekly blended payments of \$400. The loan matures on December 30, 2023 is secured by a general security agreement, second mortgage charge over property at 14523 16th Avenue, Surrey, BC and assignments of rents and insurance.	<b>70,721</b>	<b>77,720</b>
British Columbia Housing Management Commission mortgage bearing interest at 2.22% per annum, repayable in monthly blended payments of \$765. The loan matures on September 1, 2022 and is secured by a first mortgage charge over property 14482 16A Avenue, Surrey, BC.	<b>30,902</b>	<b>39,319</b>
	<b>\$ 21,101,027</b>	<b>\$ 17,964,574</b>

**ATIRA WOMEN'S RESOURCE SOCIETY**  
**FORGIVABLE LOANS**  
**AS AT MARCH 31, 2019**

**(Schedule 3)**

	<b>2019</b>	<b>2018</b>
BCHMC \$6,000,000 mortgage at 0% interest per annum, forgiven over 25 years, beginning January 2028, repayable in full if the agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2019 is \$5,184,875 and land component credited directly to net assets is \$3,078,875 as at March 31, 2019.	<b>\$ 2,000,700</b>	<b>\$ 2,060,871</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, 2019 is \$1,546,667 and land component credited directly to net assets is \$493,881 as at March 31, 2019.	<b>1,191,561</b>	<b>1,318,635</b>
BCHMC \$1,100,000 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, 2019 is \$1,009,819.	<b>1,009,819</b>	<b>590,635</b>
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, 2019 is \$435,000.	<b>433,333</b>	<b>441,667</b>
BCHMC \$385,063 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, 2019 is \$353,304.	<b>353,304</b>	<b>-</b>
BCHMC \$173,988 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, 2019 is \$160,346.	<b>160,346</b>	<b>-</b>
BCHMC \$172,500 mortgage at 0% interest per annum, forgiven over 10 years beginning upon completion of the project, repayable in full if agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2019 is \$119,639.	<b>119,639</b>	<b>-</b>
BCHMC \$770,000 mortgage at 0% interest per annum, forgiven over 25 years, beginning January 2028, repayable in full if the agreed purpose changes, with interest charged at prime + 2% per annum. Unforgiven balance on March 31, 2019 is \$770,000 and land component credited directly to net assets is \$635,680 as at March 31, 2019.	<b>116,144</b>	<b>123,530</b>
BCHMC \$95,000 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, 2019 is \$79,264.	<b>79,264</b>	<b>53,398</b>



**ATIRA WOMEN'S RESOURCE SOCIETY**  
**FORGIVABLE LOANS (continued)**  
**AS AT MARCH 31, 2019**

**(Schedule 3)**

	<b>2019</b>	<b>2018</b>
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, 2019 is \$695,000 and land component credited directly to net assets is \$461,649 as at March 31, 2019.	<b>56,799</b>	74,150
BCHMC \$62,000 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, 2019 is \$44,429.	<b>44,429</b>	37,944
BCHMC \$17,380 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, 2019 is \$16,401.	<b>16,401</b>	-
BCHMC \$3,550,000 mortgage as disclosed in Note 7.	-	61,150
Canada Mortgage and Housing Corporation \$174,688 mortgage at 0% interest per annum, 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 16th Avenue, Surrey, BC and assignment of related rents. Unforgiven balance on March 31, 2019 is \$Nil.	-	9,734
	<b>\$ 5,581,739</b>	<b>\$ 4,771,714</b>