

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Financial Statements**  
**December 31, 2019**

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Index to Financial Statements**  
**Year Ended December 31, 2019**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Journey Home Community Association

We have reviewed the accompanying financial statements of Journey Home Community Association (the "Society") that comprise the statement of financial position as at December 31, 2019, and the statements of changes in net assets, operations and cash flows for the year then ended, and 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 (ASNPO), 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.

### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Journey Home Community Association as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

### *Other Matter*

The financial statements of Journey Home Community Association for the year ended December 31, 2018 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on March 27, 2019. Our review work was limited to current year's balances and transactions required. We have not completed any review work on the comparative figures.

Burnaby, British Columbia  
March 24, 2020

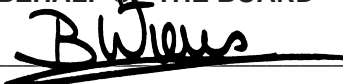
  
Chartered Professional Accountants


**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Statement of Financial Position**  
**December 31, 2019**

	2019	2018 <i>(Note 11)</i>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 66,905	\$ 54,472
Restricted cash	3,442	14,408
Accounts and donations receivable	23,619	18,634
Recoverable from government authorities - GST	875	958
Prepaid expenses	2,002	2,646
	<u>96,843</u>	91,118
SECURITY DEPOSITS	3,067	3,908
CAPITAL ASSETS <i>(Note 3)</i>	<u>252,929</u>	246,991
	<u>\$ 352,839</u>	<u>\$ 342,017</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 16,005	\$ 9,495
Wages payable	5,020	7,611
Payable to government authorities - source deductions	6,595	6,427
Current portion of mortgage payable <i>(Note 5)</i>	4,767	4,627
Current portion of due to related party <i>(Note 6)</i>	2,767	4,686
Deferred revenue	2,570	6,001
Deferred contributions <i>(Note 7)</i>	3,442	14,408
	<u>41,166</u>	53,255
MORTGAGE PAYABLE <i>(Note 5)</i>	148,942	153,739
DUE TO RELATED PARTY <i>(Note 6)</i>	22,155	24,922
DEFERRED CONTRIBUTION FOR CAPITAL PROJECTS <i>(Note 7)</i>	<u>13,492</u>	14,407
	<u>225,755</u>	246,323
NET ASSETS - page 3		
Unrestricted	66,278	49,084
Invested in Capital Assets	<u>60,806</u>	46,610
	<u>127,084</u>	95,694
	<u>\$ 352,839</u>	<u>\$ 342,017</u>

COMMITMENT *(Note 8)*

ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2019**

	2019	2018
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 95,694</b>	<b>\$ 69,813</b>
Excess of revenue over expenses - page 4	<u>31,390</u>	<u>25,881</u>
<b>NET ASSETS - END OF YEAR - page 2</b>	<b><u>\$ 127,084</u></b>	<b><u>\$ 95,694</u></b>

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Statement of Operations**  
**Year Ended December 31, 2019**

	2019	2018 <i>(Note 11)</i>
<b>REVENUE</b>		
Donations	\$ 352,901	\$ 295,046
Ride for Refuge donations	148,136	128,641
Rental allowances	70,603	95,498
Grants	37,105	37,326
Events	32,540	-
Rental sponsorship	24,900	6,319
United Way of the Lower Mainland grants	10,966	104,827
Other revenue	4,615	6,223
Recognition of deferred contributions for capital assets <i>(Note 7)</i>	915	915
	<b>682,681</b>	<b>674,795</b>
<b>EXPENSES</b>		
Salaries and benefits	399,504	356,110
Refugee housing and support	99,593	159,037
Fundraising	32,546	20,676
Refugee claimant support	31,940	10,263
Office rent	21,600	21,300
Travel	11,714	11,954
Office and general	10,557	9,707
Phone, internet and data management	8,407	7,427
Amortization	6,673	6,661
Insurance	6,471	9,835
Staff and volunteer training	6,174	6,623
Interest paid on mortgage	4,643	4,779
Printing and photocopier lease	4,287	5,789
Interest paid on related party loan and bank charges	3,034	2,316
Advertising and promotion	2,245	3,751
Bank charges	1,141	455
Professional fees	762	8,054
Donations	-	4,177
	<b>651,291</b>	<b>648,914</b>
<b>EXCESS OF REVENUE OVER EXPENSES - page 3</b>	<b>\$ 31,390</b>	<b>\$ 25,881</b>

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses - page 4	\$ 31,390	\$ 25,881
Items not affecting cash:		
Amortization	6,673	6,661
Loss on disposal of capital assets	273	-
Donation of vehicle	(15,795)	(1,800)
Recognition of deferred contribution for capital projects	(915)	(915)
	<u>21,626</u>	<u>29,827</u>
Changes in non-cash working capital:		
Accounts and donations receivable	(4,985)	(4,007)
Recoverable from government authorities - GST	83	(262)
Prepaid expenses	644	43
Security deposits	840	(896)
Accounts payable	6,511	(4,541)
Wages payable	(2,591)	4,216
Payable to government authorities - source deductions	168	(65)
Deferred revenue	(3,431)	1,693
Deferred contributions	(10,966)	(6,564)
	<u>(13,727)</u>	<u>(10,383)</u>
Cash flow from operating activities	<u>7,899</u>	<u>19,444</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(784)	(1,957)
Proceeds on disposal of capital assets	3,695	-
Cash flow from (used by) investing activities	<u>2,911</u>	<u>(1,957)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of loans payable to related party	(4,686)	(3,892)
Repayment of mortgage payable	(4,657)	(4,521)
Cash flow used by financing activities	<u>(9,343)</u>	<u>(8,413)</u>
<b>INCREASE IN CASH FLOW</b>	<b>1,467</b>	<b>9,074</b>
Cash - beginning of year	<u>68,880</u>	<u>59,806</u>
<b>CASH - END OF YEAR</b>	<b>\$ 70,347</b>	<b>\$ 68,880</b>
<b>CASH CONSISTS OF:</b>		
Unrestricted cash	\$ 66,905	\$ 54,472
Externally restricted cash	3,442	14,408
	<u>\$ 70,347</u>	<u>\$ 68,880</u>

See notes to financial statements

# JOURNEY HOME COMMUNITY ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2019

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### 1. PURPOSE OF THE SOCIETY

Journey Home Community Association (the "Society") is an organization whose mission is inspired by God's love. The Society welcomes refugees into the community by offering housing, settlement support, and relational care.

The Society is incorporated under the Societies Act of British Columbia and is a registered charity under the Income Tax Act and as such is exempt from income taxes.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Revenue recognition

The Society follows the deferral method of accounting for contributions.

Externally restricted contributions and grants are recognized as revenue in the year in which the related expenses are incurred. Externally restricted amounts and grants can only be used for purposes designated by the contributor and are deferred until the expense takes place. Contributions externally restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets' amortization.

Unrestricted contributions and grants are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rental allowances and sponsorships are recognized over the rental period. Amounts received in advance are reflected as deferred revenue on the Statement of Financial Position.

Event revenue is recognized when the event is held.

#### Contributed services and materials

Volunteers assist the Society in carrying out its programs. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Contributed materials or gifts-in-kind are only recognized when their fair value is reasonably determinable and significant, with such items recorded at fair value on the date of the contribution. During the year, the Society received non-cash gifts-in-kind of \$15,795 of a vehicle (2018 - \$1,800 of a vehicle).

#### Cash and cash equivalents

Any term deposits or similar contractual instruments that are cashable and have a maturity term of three months or less are classified as cash equivalents.

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**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Capital assets

Capital assets purchased are stated at cost less accumulated amortization. Capital assets contributed / Gifts-in-kind are recorded at the fair value as of the date of receipt. Amortization is provided at various rates to amortize the assets over the estimated useful lives. The amortization rates are as follows:

Building	17 years	straight-line method
Motor vehicles	30%	declining balance method
Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method

In accordance with Handbook Section 4433 Tangible Capital Assets Held by Not-for-Profit Organizations, the Society has changed its accounting policy with respect to capital assets, specifically adopting componentization whereby significant, separable component parts are allocated when practicable. Due to the nature and composition of the Society capital assets, no adjustments were required to the current or prior years' figures.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant areas requiring the use of management estimates relate to the useful life of capital assets for the purposes of calculating amortization, specifically the buildings.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 168,836	\$ -	\$ 168,836	\$ 168,836
Building	76,413	10,113	66,300	70,794
Motor vehicles	15,795	1,185	14,610	3,968
Computer equipment	6,529	4,166	2,363	2,367
Furniture and fixtures	3,859	3,039	820	1,026
	<u>\$ 271,432</u>	<u>\$ 18,503</u>	<u>\$ 252,929</u>	<u>\$ 246,991</u>

4. CREDIT FACILITIES

The Society has a credit facility available of up to \$75,000 with Vancity Credit Union (2018 - \$40,000). It is in the form of an operating loan line of credit, which bears interest at prime + 1.50% per annum, interest payable monthly. The amount used of the credit facility as at December 31, 2019 was \$NIL (2018 - \$NIL). The facility is secured by a General Security Agreement on all present and after-acquired personal property of the Society (see *Note 3* for carrying values of the secured property).

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

5. MORTGAGE PAYABLE

	<u>2019</u>	<u>2018</u>
Vancity Savings Credit Union mortgage bearing interest at a fixed rate of 2.99% per annum, renewing on September 22, 2022, with monthly blended payments of \$775. The loan is secured by the same terms as disclosed in <i>Note 4</i> .	\$ 153,709	\$ 158,366
Less: current portion	<u>(4,767)</u>	<u>(4,627)</u>
	<u>\$ 148,942</u>	<u>\$ 153,739</u>

Principal repayment terms are approximately:

2020	\$ 4,767
2021	4,912
2022	<u>144,030</u>
	<u>\$ 153,709</u>

6. DUE TO RELATED PARTY AND RELATED PARTY TRANSACTIONS

	<u>2019</u>	<u>2018</u>
Unsecured, non-interest bearing promissory note from a director due on December 15, 2019. This was repaid during the year.	\$ -	\$ 2,000
Unsecured loan from a director bearing interest at a fixed rate of 2.99% per annum, repayable in monthly blended payments of \$290. The loan matures on February 19, 2028.	<u>24,922</u>	<u>27,608</u>
	<u>24,922</u>	29,608
Less: current portion	<u>(2,767)</u>	<u>(4,686)</u>
	<u>\$ 22,155</u>	<u>\$ 24,922</u>

Principal repayment terms are approximately:

2020	\$ 2,767
2021	2,851
2022	2,937
2023	3,026
2024	3,118
Thereafter	<u>10,223</u>
	<u>\$ 24,922</u>

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## JOURNEY HOME COMMUNITY ASSOCIATION

### Notes to Financial Statements

Year Ended December 31, 2019

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#### 6. DUE TO RELATED PARTY AND RELATED PARTY TRANSACTIONS *(continued)*

The Society paid \$3,034 (2018 - \$2,316) in interest to compensate 2 directors for the above financing provided to the Society. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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#### 7. DEFERRED CONTRIBUTIONS

	Opening Balance	Contributions received	Revenue recognized	Ending Balance
Tenth Church	\$ 2,520	\$ -	\$ -	\$ 2,520
Donation for counselling	922	-	-	922
United Way grant	10,966	-	10,966	-
	\$ 14,408	-	10,966	\$ 3,442
Long term capital project donation	\$ 14,407	-	915	\$ 13,492

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#### 8. COMMITMENT

The Society has a lease with respect to its premises. The operating lease is \$1,800 per month (later increasing to \$1,830) and expires December 31, 2020.

Future minimum lease payments are as follows:

2020	<u>\$ 21,960</u>
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#### 9. FINANCIAL INSTRUMENTS

All financial instruments are initially recorded at their fair market value. Publicly traded equity instruments quoted in an active market are subsequently measured at fair value with any unrealized gains or losses and transaction costs recognized in net excess of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in net excess of revenue over expenses.

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#### 10. REMUNERATION DISCLOSURE

In accordance with the Societies Act of British Columbia, the Society is required to disclose that the highest paid individual that exceeded \$75,000 of annual remuneration was paid a total sum of \$75,150.

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#### 11. COMPARATIVE FIGURES

The prior year figures have been restated to conform to the current year's presentation. Specifically, restricted cash has been separated out from unrestricted cash, security deposits payable has been grouped with accounts payable, and deferred contributions for capital projects have been separated out from deferred contributions on the Statement of Financial Position, and items have been grouped to conform to the current year's presentation on the Statement of Operations.

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