

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Financial Statements**  
**December 31, 2020**

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Index to Financial Statements**  
**Year Ended December 31, 2020**

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	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 11

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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, 2020, 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, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Burnaby, British Columbia  
March 24, 2021

  
Chartered Professional Accountants


**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Statement of Financial Position**  
**December 31, 2020**

	2020	2019 (Note 10)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 204,060	\$ 66,905
Restricted cash	85,555	3,442
Accounts and donations receivable	60,984	23,619
Recoverable from government authorities - GST	762	875
Receivable from government authorities - CEWS	46,986	-
Prepaid expenses	1,408	2,002
	<b>399,755</b>	<b>96,843</b>
SECURITY DEPOSITS	2,629	3,067
CAPITAL ASSETS (Note 3)	259,680	252,929
	<b>\$ 662,064</b>	<b>\$ 352,839</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 21,328	\$ 16,005
Wages payable	7,342	5,020
Payable to government authorities - source deductions	7,388	6,595
Current portion of mortgage payable (Note 5)	4,912	4,797
Current portion of due to related party (Note 6)	2,851	2,767
Deferred revenue	3,440	2,570
Deferred contributions and grants (Note 7)	85,555	3,442
	<b>132,816</b>	<b>41,196</b>
MORTGAGE PAYABLE (Note 5)	144,000	148,912
DUE TO RELATED PARTY (Note 6)	19,304	22,155
DEFERRED CONTRIBUTIONS FOR CAPITAL PROJECTS (Note 7)	20,511	13,492
	<b>316,631</b>	<b>225,755</b>
NET ASSETS		
Unrestricted	345,433	127,084
	<b>\$ 662,064</b>	<b>\$ 352,839</b>

FUNDING AGREEMENTS (Note 9)

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, 2020**

	<b>2020</b>	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 127,084</b>	\$ 95,694
Excess of revenue over expenses	<u>218,349</u>	<u>31,390</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 345,433</u></b>	<b>\$ 127,084</b>

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Statement of Operations**  
**Year Ended December 31, 2020**

	2020	2019 <i>(Note 10)</i>
<b>REVENUE</b>		
Donations	\$ 324,600	\$ 352,901
Reaching Home grants <i>(Note 9)</i>	287,035	-
Ride for Refuge donations	119,648	148,136
Federal government wage subsidies	88,158	-
Grants <i>(Note 8)</i>	77,069	48,071
Rental allowances	66,948	70,603
Rental sponsorship	18,025	24,900
Other revenue	1,948	4,615
Recognition of deferred contributions for capital assets	1,481	915
Events	-	32,540
	<u>984,912</u>	<u>682,681</u>
<b>EXPENSES</b>		
Salaries and benefits	423,803	399,504
Refugee housing and support	225,877	99,593
Refugee claimant support	23,125	31,940
Office rent	21,960	21,600
Amortization	12,087	6,673
Phone, internet and data management	10,519	8,407
Office and general	10,468	10,284
Insurance	6,882	6,471
Professional fees	6,337	762
Travel	6,026	11,714
Fundraising	5,404	32,546
Staff and volunteer training	5,354	6,174
Advertising and promotion	5,153	2,245
Interest paid on mortgage	4,503	4,643
Printing and photocopier	2,492	4,287
Interest paid on related party loan <i>(Note 6)</i>	707	3,034
Bank charges	626	1,141
	<u>771,323</u>	<u>651,018</u>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>213,589</b>	<b>31,663</b>
<b>OTHER INCOME (EXPENSES)</b>		
Gain (loss) on disposal of capital assets	4,760	<i>(273)</i>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 218,349</b>	<b>\$ 31,390</b>

See notes to financial statements

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 218,349	\$ 31,390
Items not affecting cash:		
Amortization	12,087	6,673
(Gain) loss on disposal of capital assets	(4,760)	273
Donation of vehicle	(7,300)	(15,795)
Recognition of deferred contributions for capital assets	(1,481)	(915)
	<u>216,895</u>	<u>21,626</u>
Changes in non-cash working capital:		
Accounts and donations receivable	(37,365)	(4,985)
Recoverable from government authorities - GST	113	83
Receivable from government authorities - CEWS	(46,986)	-
Prepaid expenses	594	644
Security deposits	438	840
Accounts payable and accrued liabilities	5,324	6,511
Wages payable	2,322	(2,591)
Payable to government authorities - source deductions	793	168
Deferred revenue	870	(3,431)
Deferred contributions and grants	82,113	(10,966)
	<u>8,216</u>	<u>(13,727)</u>
Cash flow from operating activities	<u>225,111</u>	<u>7,899</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(23,792)	(784)
Proceeds on disposal of capital assets	17,013	3,695
Cash flow from (used by) investing activities	<u>(6,779)</u>	<u>2,911</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of loans payable to related party	(2,767)	(4,686)
Repayment of mortgage payable	(4,797)	(4,657)
Contributions for capital projects	8,500	-
Cash flow from (used by) financing activities	<u>936</u>	<u>(9,343)</u>
<b>INCREASE IN CASH FLOW</b>	<b>219,268</b>	<b>1,467</b>
Cash - beginning of year	<u>70,347</u>	<u>68,880</u>
<b>CASH - END OF YEAR</b>	<b>\$ 289,615</b>	<b>\$ 70,347</b>
<b>CASH CONSISTS OF:</b>		
Unrestricted cash	\$ 204,060	\$ 66,905
Externally restricted cash	85,555	3,442
	<u>\$ 289,615</u>	<u>\$ 70,347</u>

See notes to financial statements

# JOURNEY HOME COMMUNITY ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2020

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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 creates caring communities that offer refugee claimants housing, settlement support and opportunities for connection.

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.

During the year, the Society's operations were significantly affected by the COVID-19 pandemic. Specifically, in late March 2020 the number of refugee arrivals to Canada was significantly reduced as travel restrictions came into effect and certain activities requiring in person delivery were rendered undeliverable. As a result, some revenue sources and expenses were disrupted. Although to date the impact of COVID-19 on the Society has been minimal, there are still continued challenges related to the re-opening of the borders and resumption of in-person refugee settlement services. Returning to pre-pandemic levels of operations will depend on the effectiveness of vaccines currently being deployed by the federal and provincial levels of government.

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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.

#### 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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# JOURNEY HOME COMMUNITY ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2020

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

#### 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.

#### Capital assets

Capital assets purchased are stated at cost less accumulated amortization. Capital assets contributed 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 and methods are as follows:

Building	17 years	straight-line method
Leasehold improvements	5 years	straight-line method
Motor vehicles	30%	declining balance method
Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method

#### 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 \$12,230 of a motor vehicle and furniture provided to refugees (2019 - \$15,795 of a motor vehicle).

#### 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. Actual results could differ from these estimates. Significant areas requiring the use of management estimates relate to the expenses incurred in relation to its funding agreement commitment as described in *Note 9* and the useful life of capital assets for the purposes of calculating amortization, specifically the buildings.

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**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 168,836	\$ -	\$ 168,836	\$ 168,836
Building	76,413	14,608	61,805	66,300
Leasehold improvements	11,979	799	11,180	-
Motor vehicles	7,300	730	6,570	14,610
Computer equipment	17,557	6,924	10,633	2,363
Furniture and fixtures	3,859	3,203	656	820
	<u>\$ 285,944</u>	<u>\$ 26,264</u>	<u>\$ 259,680</u>	<u>\$ 252,929</u>

4. CREDIT FACILITIES

The Society has a credit facility available of up to \$75,000 with Vancity Credit Union (2019 - \$75,000). 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, 2020 was \$NIL (2019 - \$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).

The Society also has an unsecured credit card facility available of up to \$10,000 with Vancity Credit Union bearing interest at 19.50% per annum. The amount used at December 31, 2020 was \$4,156 (2019 - \$4,873). The amount available at December 31, 2020 was \$5,844 (2019 - \$5,127).

5. MORTGAGE PAYABLE

	2020	2019
Vancity Savings Credit Union mortgage bearing interest at a fixed rate of 2.99% per annum, maturing 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> .	\$ 148,912	\$ 153,709
Less: current portion	(4,912)	(4,797)
	<u>\$ 144,000</u>	<u>\$ 148,912</u>

Principal repayment terms are approximately:

2021	\$ 4,912
2022	144,000
	<u>\$ 148,912</u>

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

6. DUE TO RELATED PARTY AND RELATED PARTY TRANSACTIONS

	<u>2020</u>	<u>2019</u>
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.	\$ 22,155	\$ 24,922
Less: current portion	<u>(2,851)</u>	<u>(2,767)</u>
	<u>\$ 19,304</u>	<u>\$ 22,155</u>

Principal repayment terms are approximately:

2021	\$ 2,851
2022	2,937
2023	3,026
2024	3,118
2025	3,213
Thereafter	<u>7,010</u>
	<u>\$ 22,155</u>

The Society paid \$707 (2019 - \$3,034) in interest to compensate a director 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.

7. DEFERRED CONTRIBUTIONS AND GRANTS

	Opening Balance	Contributions Received	Revenue Recognized	Ending Balance
SPARC BC	\$ -	\$ 62,500	\$ 19,565	\$ 42,935
Community Foundations of Canada	-	52,271	24,913	27,358
City in Focus Foundation	-	6,666	-	6,666
Communities of Welcome	-	7,425	1,430	5,995
Tenth Avenue Alliance Church	2,520	-	841	1,679
Donation for counselling	922	-	-	922
	<u>\$ 3,442</u>	<u>128,862</u>	<u>46,749</u>	<u>\$ 85,555</u>
Long term capital project donation	\$ 13,492	-	915	\$ 12,577
Long term renovation donation	-	8,500	566	7,934
	<u>\$ 13,492</u>	<u>\$ 8,500</u>	<u>\$ 1,481</u>	<u>\$ 20,511</u>

Deferred contributions and grants includes \$75,293 (2019 - \$NIL) of funds received which may require repayment if the Society is unable to fulfill the purpose of the funds or complete the deliverables stipulated by its grant agreements.

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

8. GRANTS

Grant revenue recognized consists of:

	<u>2020</u>	2019
Other foundations	\$ 32,591	\$ 37,105
Federal Community Foundations Canada	24,913	-
SPARC BC	19,565	-
United Way of the Lower Mainland	-	10,966
	<u>\$ 77,069</u>	<u>\$ 48,071</u>

9. FUNDING AGREEMENTS

The Society has entered into 3 grant funding agreements with Lu'ma Native BCH Housing Society and Vancity Community Foundation to support and place refugee individuals and families in transitional housing units with funds received from the Federal Reaching Home: Canada's Homelessness Strategy program.

As part of the agreements, the Society has committed to spend \$50,000 of its own funds from April 2020-March 2021 and an additional \$50,000 from April 2021-March 2022 to support the program. At year end management estimates that \$37,500 of this commitment has been spent.

In accordance with the funding agreements, the Society discloses the total revenue and expenses incurred in connection with the project during the year.

	<u>2020</u>
<u>Grant revenue recognized:</u>	
Federal Reaching Home Homelessness Strategy	\$ 174,555
Federal Reaching Home Emergency Response Funds for COVID-19 Agreement #2	72,649
Federal Reaching Home Emergency Response Funds for COVID-19 Agreement #1	<u>39,831</u>
	<u>\$ 287,035</u>

Included in grant revenue recognized is \$23,776 of accrued grants receivable which comprises the excess of expenses incurred in connection to the project over the funds received as at year end.

<u>Expenses incurred:</u>	
Federal Reaching Home Homelessness Strategy expenses	\$ 174,555
Federal Reaching Home Emergency Response Funds for COVID-19 Agreement #2 expenses	72,649
Federal Reaching Home Emergency Response Funds for COVID-19 Agreement #1 expenses	<u>39,831</u>
	<u>\$ 287,035</u>

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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10. COMPARATIVE FIGURES

The prior year figures have been restated to conform to the current year's presentation. Specifically, net assets invested in capital assets are now presented as unrestricted on the Statement of Financial Position, and United Way of the Lower Mainland grant income has been combined with grants on the Statement of Operations.

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