

**JOURNEY HOME COMMUNITY ASSOCIATION**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

# **JOURNEY HOME COMMUNITY ASSOCIATION**

## **Consolidated Financial Statements**

For the year ended 31 December 2023

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## INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

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To the Members,  
Journey Home Community Association

We have reviewed the accompanying consolidated financial statements of Journey Home Community Association that comprise the statement of financial position as at 31 December 2023, and the consolidated 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 Consolidated Financial Statements**

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

### **Practitioners' Responsibility**

Our responsibility is to express a conclusion on the accompanying consolidated 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 consolidated financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioners perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate 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 consolidated financial statements.

### **Basis for Qualified Conclusion**

In common with other organizations of this kind, the Association derives revenue from donations, the completeness of which is not susceptible to satisfactory review procedures. Accordingly, our review of these revenues was limited to the amounts recorded in the records of the Association and we are not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses and net assets for the year ended 31 December 2023 and 2022, current assets as at 31 December 2023 and 2022 and net assets as at 1 January and 31 December for both the 2023 and 2022 years.

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**INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT - Continued**

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**Qualified Conclusion**

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the consolidated financial statements do not present fairly, in all material respects, the financial position of Journey Home Community Association as at 31 December 2023, and the consolidated results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*Rolfe Benson LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
27 March 2024

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Consolidated Statement of Financial Position**  
**31 December 2023**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 559,699	\$ 367,771
Accounts and donations receivable	109,107	86,196
Prepaid expenses	9,124	5,512
Term deposit	-	151,716
Restricted cash (Note 3)	240,425	305,434
GST recoverable	6,529	4,213
	<b>924,884</b>	<b>920,842</b>
<b>Tangible capital assets (Note 4)</b>	<b>25,148</b>	<b>33,699</b>
<b>Security deposits</b>	<b>19,501</b>	<b>8,226</b>
	<b>\$ 969,533</b>	<b>\$ 962,767</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 79,700	\$ 46,880
WCB payable	3,405	2,442
Government remittances payable	17,205	14,814
Deferred contributions and grants (Note 5)	18,208	106,230
Deferred revenue	11,465	2,896
Funds held as agent (Note 6)	23,012	-
Wages payable	18,668	15,083
	<b>171,663</b>	<b>188,345</b>
<b>Deferred capital contributions (Note 7)</b>	<b>52,743</b>	<b>54,443</b>
	<b>224,406</b>	<b>242,788</b>
<b>Commitments (Note 8)</b>		
<b>Net Assets</b>		
<b>Unrestricted</b>	<b>573,518</b>	<b>541,519</b>
<b>Invested in tangible capital assets</b>	<b>22,314</b>	<b>29,165</b>
<b>Internally restricted</b>	<b>149,295</b>	<b>149,295</b>
	<b>745,127</b>	<b>719,979</b>
	<b>\$ 969,533</b>	<b>\$ 962,767</b>

APPROVED BY THE BOARD:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Consolidated Statement of Changes in Net Assets**  
For the year ended 31 December 2023

	Unrestricted	Invested in capital assets	Internally restricted	Total 2023	Total 2022
<b>Balance - beginning of year</b>	\$ 541,519	\$ 29,165	\$ 149,295	<b>\$ 719,979</b>	\$ 493,775
Excess (deficiency) of revenues over expenses for the year	45,204	(20,056)	-	<b>25,148</b>	264,451
Purchase of capital assets	(13,205)	13,205	-	-	-
Transfer to deferred capital contributions - unspent	-	-	-	-	(38,247)
<b>Balance - end of year</b>	<b>\$ 573,518</b>	<b>\$ 22,314</b>	<b>\$ 149,295</b>	<b>\$ 745,127</b>	\$ 719,979

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

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Consolidated Statement of Operations**  
For the year ended 31 December 2023

	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
Reaching Home grants (Note 11)	\$ 714,243	\$ 460,525
Donations	497,833	457,377
Grants (Note 9)	186,110	193,961
Rental allowances	226,189	152,146
Ride for Refuge donations	108,536	118,344
Event revenue	17,205	12,481
Other revenue	58,565	9,022
Recognition of deferred capital contributions (Note 7)	1,700	1,700
	<b>1,810,381</b>	<b>1,405,556</b>
<b>Expenses</b>		
Salaries and benefits (Note 12)	1,014,561	668,191
Refugee housing and support	501,047	390,505
Professional fees	64,734	60,762
Office rent	46,800	44,100
Phone, internet and data management	39,971	29,011
Staff and volunteer training	22,807	13,859
Fundraising	18,817	9,228
Travel	17,102	13,441
Advertising and promotion	15,554	3,692
Office and general	13,075	13,170
Insurance	8,063	9,871
Bank charges	946	776
Interest paid on mortgage	-	5,332
Interest paid on loan	-	537
Amortization	21,756	9,528
	<b>1,785,233</b>	<b>1,272,003</b>
<b>Excess of revenues over expenses from operations</b>	<b>25,148</b>	<b>133,553</b>
<b>Other income</b>		
Gain on sale of land and building	-	130,898
	<b>25,148</b>	<b>264,451</b>
<b>Excess of revenues over expenses for the year</b>	<b>\$ 25,148</b>	<b>\$ 264,451</b>

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

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Consolidated Statement of Cash Flows**  
For the year ended 31 December 2023

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Excess of revenues over expenses for the year	\$ 25,148	\$ 264,451
Items not involving cash		
Amortization	21,756	9,528
(Gain) on sale of land and building	-	(130,898)
Recognition of deferred capital contribution	(1,700)	(1,700)
	45,204	141,381
Changes in non-cash working capital balances		
Accounts and donations receivable	(22,911)	(27,871)
Prepaid expenses	(3,612)	(3,060)
Term deposit	151,716	-
GST	(2,316)	(3,023)
Canada emergency wage subsidy receivable	-	20,291
Accounts payable and accrued liabilities	32,820	19,163
WCB payable	963	1,021
Government remittances payable	2,391	5,305
Deferred contributions and grants	(88,022)	21,430
Deferred revenue	8,569	(294)
Wages payable	3,585	4,933
Security deposits	(11,275)	(4,272)
	117,112	175,004
<b>Investing activities</b>		
Purchase of tangible capital assets	(13,205)	(12,890)
Proceeds on disposal of tangible capital assets	-	358,103
	(13,205)	345,213
<b>Financing activities</b>		
Issuance of funds held as agent	23,012	-
Repayment of loan payable	-	(19,304)
Mortgage repayments	-	(143,969)
	23,012	(163,273)
<b>Net increase in cash</b>	<b>126,919</b>	<b>356,944</b>
<b>Cash - beginning of year</b>	<b>673,205</b>	<b>316,261</b>
<b>Cash - end of year</b>	<b>\$ 800,124</b>	<b>\$ 673,205</b>
<b>Cash consists of:</b>		
Unrestricted cash	\$ 559,699	\$ 367,771
Restricted cash	240,425	305,434
	<b>\$ 800,124</b>	<b>\$ 673,205</b>

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



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**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2023**

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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.

**2. Summary of significant accounting policies**

These consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Principles of consolidation

These consolidated financial statements include the accounts of Journey Home Community Association and its wholly-owned subsidiary Journey Home Community CCC Ltd. All inter-entity balances and transactions have been eliminated upon consolidation.

(b) Financial instruments

(i) Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenses in the period incurred.

Financial assets measured at amortized cost include cash, restricted cash, accounts and donations receivable and security deposits.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, wages payable, WCB payable and government remittances payable.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the consolidated statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, 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 consolidated statement of operations.

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**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to the Consolidated Financial Statements**  
For the year ended 31 December 2023

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**2. Summary of significant accounting policies - Continued**

(b) Financial instruments - Continued

(iii) Transaction costs

The Society recognizes its transaction costs in the consolidated 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 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.

(d) Tangible capital assets

Tangible capital assets are recorded at cost. Amortization of tangible capital assets are based on their useful lives using the following methods and rates or duration:

Vehicles	30% Declining balance
Furniture and fixtures	20% Declining balance
Computer equipment	30% Declining balance
Leasehold improvements	5 years Straight-line

(e) Use of estimates

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 amounts of assets, liabilities, revenues and expenses and disclosure of contingencies at the date of the statement of financial position. Accounts subject to estimates include amortization of tangible capital assets and accounts payable and accrued liabilities. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent; however, actual results could differ from these estimates.

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**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2023**

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**2. Summary of significant accounting policies - Continued**

(f) 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 consolidated statement of financial position.

(g) Contributed materials and services

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 consolidated 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 \$12,000 (2022 - \$Nil) included in donations revenue.

(h) Impairment of long-lived assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When a tangible capital asset no longer contributes to the services provided by the Society, its carrying amount is written down to its residual value. No impairment losses were determined by management to be necessary for the year.

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to the Consolidated Financial Statements**  
For the year ended 31 December 2023

**3. Restricted cash**

	2023	2022
Internally restricted by the board of directors	\$ 149,295	\$ 149,295
Deferred Contributions, grants and funds held as agent	41,221	106,230
Externally restricted capital contributions unspent	49,909	49,909
	\$ 240,425	\$ 305,434

In the prior year, the board approved the transfer of the net proceeds from the sale of land and building of \$149,295 from unrestricted to internally restricted net assets to allow additional time to make strategic plans related to a future capital project and/or programming priorities.

**4. Tangible capital assets**

	Cost	Accumulated Amortization	2023 Net	2022 Net
Vehicles	\$ 19,300	\$ 16,886	\$ 2,414	\$ 3,219
Furniture and fixtures	13,704	6,876	6,828	8,535
Computer equipment	31,626	19,713	11,913	15,556
Leasehold improvements	11,979	7,986	3,993	6,389
	\$ 76,609	\$ 51,461	\$ 25,148	\$ 33,699

**5. Deferred contributions and grants**

	Balance, beginning of year	Contributions received	Revenue recognized	Balance, end of year
Vancouver Foundation	\$ 65,000	\$ -	\$ (65,000)	\$ -
SPARC BC	9,500	-	(9,500)	-
Tenth Avenue Alliance Church	25,035	-	(25,035)	-
Communities of Welcome	6,695	579	-	7,274
St. John's Vancouver Anglican Church	-	15,000	(4,066)	10,934
	\$ 106,230	\$ 15,579	\$ (103,601)	\$ 18,208

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to the Consolidated Financial Statements**  
For the year ended 31 December 2023

**6. Funds held as agent**

The Society acts as an agent for the Multi-Agency Partnership program which has received funding for this program from Vancity Bank. Expenditures paid by the Society on behalf of stakeholders are reimbursed from the funding. The balance of unspent funds held in trust are recorded on the statement of financial position and have no impact on the operating activities of the Society.

**7. Deferred capital contributions**

	<b>2023</b>	2022
Opening Balance	\$ 54,443	\$ 56,143
Amortized during the year	<u>(1,700)</u>	<u>(1,700)</u>
	<b><u>\$ 52,743</u></b>	<b><u>\$ 54,443</u></b>

Included in deferred capital contributions is \$49,909 (2022- \$49,909) of unspent contributions.

**8. Commitments**

The Society holds a lease agreement for premises with the current lease term expiring 31 December 2024.

The annual minimum lease payments are as follows:

2024	<u>\$ 48,000</u>
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**9. Grants**

Grant revenue recognized consists of:

	<b>2023</b>	2022
Vancouver Foundation	\$ 65,000	\$ 87,504
SPARC BC	46,750	60,000
The Foundation Office	50,000	-
Other Grants	<u>24,360</u>	<u>46,457</u>
	<b><u>\$ 186,110</u></b>	<b><u>\$ 193,961</u></b>

**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to the Consolidated Financial Statements**  
For the year ended 31 December 2023

**10. Credit facilities**

The Society has an operating line of credit available up to \$100,000 with Vancity Credit Union bearing interest at prime + 1.50% per annum, interest payable monthly. The line of credit is secured by a general security agreement on all present and after-acquired personal property of the Society. The amount used at 31 December 2023 is \$Nil (2022 - \$Nil).

The Society also has an unsecured credit card facility available up to \$20,000 with Vancity Credit Union bearing interest at 19.50% per annum on overdue amounts. The outstanding amount at 31 December 2023 is \$11,068 (2022 - \$750) and is included in accounts payable.

**11. Funding agreements**

The Society has funding agreements with Lu'ma Native BCH Housing Society, Vancity Community Foundation and the Canadian Revenue Agency 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.

	<b>2023</b>
<b>Grant revenue recognized</b>	
Federal Reaching Home Homelessness Strategy: Homeless to Housed:	
A Wrap-around Welcome for Refugee Families	\$ 363,391
Federal Reaching Home Homelessness Strategy:	
Welcoming Refugee Claimants & Utilizing Empty Buildings	345,518
Federal Jobs Grant	5,334
	<b>\$ 714,243</b>

Included in accounts and donations receivable on the consolidated statement of financial position is \$56,911 of accrued Reaching Home grants, which comprise the excess expenses incurred for the projects over the funds received as at 31 December 2023.

	<b>2023</b>
<b>Expenses incurred:</b>	
Federal Reaching Home Homelessness Strategy: Homeless to Housed:	
A Wrap-around Welcome for Refugee Families	\$ 363,391
Federal Reaching Home Homelessness Strategy:	
Welcoming Refugee Claimants & Utilizing Empty Buildings	345,518
Federal Jobs Grant	5,334
	<b>\$ 714,243</b>

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**JOURNEY HOME COMMUNITY ASSOCIATION**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 December 2023**

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**12. Remuneration of employees, contractors and directors**

The Societies Act (British Columbia) requires a society (other than a society designated as a member-funded society) to include, in its financial statements, the disclosure of any remuneration paid to its directors, and remuneration paid to employees and contractors earning more than \$75,000 during the fiscal year. For the fiscal year ended 31 December 31, 2023, two employees had remuneration over \$75,000 for a total of \$157,932. In 2022 one employee had remuneration over \$75,000 for a total of \$79,397. No honoraria were paid to members of the Board of Directors for the 2023 fiscal year.

**13. Financial instruments**

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentrations at the consolidated statement of financial position date, 31 December 2023.

(a) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, wages payable, WCB payable and government remittances payable. The Society manages liquidity risk by maintaining adequate cash. There has been no change to the risk exposure from the prior year.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risk relates to its cash, restricted cash and accounts and donations receivable. The Society manages credit risk on its cash by placing its cash with large federally regulated financial institutions. Accounts and donations receivable balances are monitored regularly by management to mitigate the risk of financial loss. There has been no change to the risk exposure from the prior year.

(c) 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 financial instruments. Fixed-rate financial instruments subject the Society to a fair value risk. There has been no change in the risk exposure from the prior year.