

Financial Statements of

**THE CRIDGE CENTRE  
FOR THE FAMILY**

And Independent Auditors' Report thereon

Year ended March 31, 2020



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## INDEPENDENT AUDITORS' REPORT

To the Members of The Cridge Centre for the Family

### Report on the Audit of Financial Statements

#### ***Opinion***

We have audited the financial statements of The Cridge Centre for the Family (the Entity), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions of the Operating Agreement between the Entity and British Columbia Housing Management Commission ("BC Housing").

#### ***Basis for Opinion***

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 auditors' report.

We are independent of the Entity 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 these requirements.

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



### ***Emphasis of Matter - Basis of Preparation***

We draw attention to Note 1(a) to the financial statements, which describes the basis of accounting.

The financial statements are prepared to assist the Entity in complying with the reporting provisions of the Operating Agreement referred to above.

Our opinion is not modified in respect to this matter.

### ***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 the financial reporting provisions of the Operating Agreement between the Entity and BC Housing, 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Entity'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 Entity 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
- 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 Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with applicable financial reporting framework have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Victoria, Canada

August 20, 2020

# THE CRIDGE CENTRE FOR THE FAMILY

## Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
<b>Assets</b>		
Current assets:		
Cash (note 2)	\$ 603,429	\$ 683,274
Accounts receivable	144,814	69,333
Inventories	1,299	1,305
Prepaid expenses	112,157	93,765
	<u>861,699</u>	<u>847,677</u>
Investments and marketable securities (note 3)	6,463,137	6,399,526
Capital assets (note 4)	13,819,251	13,655,179
	<u>\$ 21,144,087</u>	<u>\$ 20,902,382</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued charges (note 5)	\$ 490,285	\$ 447,529
Employee benefit accruals (note 6)	595,543	540,521
Deferred donations (note 7)	507,393	436,208
Current portion of long-term debt	343,969	335,727
Current portion of deferred revenue - operating	570,133	489,061
Current portion of deferred revenue - capital	342,967	256,202
	<u>2,850,290</u>	<u>2,505,248</u>
Long-term debt (note 8)	8,646,935	8,990,904
Deferred revenue - operating (note 9)	73,911	93,619
Deferred revenue - capital (note 9)	2,989,542	2,533,768
	<u>14,560,678</u>	<u>14,123,539</u>
Net assets:		
Endowment fund (note 10)	697,740	715,697
Invested in capital assets	1,495,838	1,538,578
Other funds (note 11)	3,366,587	3,290,531
Unrestricted	1,023,244	1,234,037
	<u>6,583,409</u>	<u>6,778,843</u>
Commitments (note 14)		
Contingencies (note 15)		
	<u>\$ 21,144,087</u>	<u>\$ 20,902,382</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# THE CRIDGE CENTRE FOR THE FAMILY

## Statement of Operations and Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

	Capital Fund	Endowment Fund (note 10)	Other Funds (note 11)	Operating Fund	2020 Total	2019 Total (Schedule)
<b>Revenue:</b>						
Government contracts	\$ -	\$ -	\$ -	\$ 4,623,599	\$ 4,623,599	\$ 4,274,953
Fee for service income	-	-	-	1,766,542	1,766,542	1,649,713
Rents and leases	-	-	-	2,296,504	2,296,504	2,286,383
Donations and bequests	-	-	-	759,821	759,821	480,717
Amortization of deferred revenue	332,683	-	-	19,707	352,390	277,860
Other income	-	-	-	16,754	16,754	23,220
	332,683	-	-	9,482,927	9,815,610	8,992,846
<b>Expenses:</b>						
Salaries and benefits	-	-	-	5,651,417	5,651,417	5,078,093
Program costs	-	-	-	1,878,026	1,878,026	1,897,006
Mortgage interest	-	-	-	218,218	218,218	226,241
Occupancy	-	-	-	818,464	818,464	751,415
Amortization of capital assets	715,832	-	-	-	715,832	636,855
Administration	-	-	-	299,398	299,398	348,588
Professional fees	-	-	-	96,678	96,678	90,971
Transportation	-	-	-	66,070	66,070	65,396
	715,832	-	-	9,028,271	9,744,103	9,094,565
Program income (deficit)	(383,149)	-	-	454,656	71,507	(101,719)
<b>Other income:</b>						
Capital gains and interest	-	-	-	155,791	155,791	179,745
Unrealized gain (loss)	-	-	-	(446,440)	(446,440)	207,011
	-	-	-	(290,649)	(290,649)	386,756
Excess (deficiency) of revenue over expenses	(383,149)	-	-	164,007	(219,142)	285,037
Net assets, beginning of year	1,538,578	715,697	3,290,531	1,234,037	6,778,843	6,489,439
Contributions to endowment funds	-	23,708	-	-	23,708	4,367
<b>Transfers:</b>						
Recovery of reserve expenses	-	-	(15,473)	15,473	-	-
Allocations to reserves	-	-	133,411	(133,411)	-	-
Net investment in capital assets	4,682	-	-	(4,682)	-	-
Mortgage principal	335,727	-	-	(335,727)	-	-
Allocation of investment income	-	26,417	19,653	(46,070)	-	-
Allocation of fees	-	(4,446)	(3,504)	7,950	-	-
Recovery of disbursements	-	-	(10,000)	10,000	-	-
Allocation of unrealized loss	-	(63,636)	(90,341)	153,977	-	-
Allocation to future programming	-	-	42,310	(42,310)	-	-
<b>Net assets, end of year</b>	<b>\$ 1,495,838</b>	<b>\$ 697,740</b>	<b>\$ 3,366,587</b>	<b>\$ 1,023,244</b>	<b>\$ 6,583,409</b>	<b>\$ 6,778,843</b>

See accompanying notes to financial statements.

# THE CRIDGE CENTRE FOR THE FAMILY

## Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating:		
Excess (deficiency) of revenue over expenses	\$ (219,142)	\$ 285,037
Endowment funds received	23,708	4,367
Items not involving cash:		
Amortization	715,832	636,855
Earned deferred donations	(174,875)	(96,994)
Unrealized loss (gain) on investment portfolio	446,440	(207,011)
Earned property lease	(19,707)	(19,707)
Amortization of deferred revenue - capital	(332,683)	(258,153)
	439,573	344,394
Change in non-cash operating working capital (note 12)	84,982	(27,408)
	524,555	316,986
Financing:		
Deferred revenue - capital received	875,222	111,855
Mortgage principal repayments	(335,727)	(327,723)
Deferred donations received	246,060	223,486
	785,555	7,618
Investments:		
Net purchases of investments and marketable securities	(510,051)	(35,162)
Purchase of capital assets	(879,904)	(330,306)
	(1,389,955)	(365,468)
Decrease in cash	(79,845)	(40,864)
Cash, beginning of year	683,274	724,138
Cash, end of year	\$ 603,429	\$ 683,274

See accompanying notes to financial statements.

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements

Year ended March 31, 2020

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The Cridge Centre for the Family (the "Society") is incorporated under the Society Act (British Columbia) and its principal business activities are the provision of social services to families including child care, supportive and transition housing, respite care, residence for survivors of brain injury and seniors' assisted living housing. The Society is a charitable organization registered under the Income Tax Act and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. On November 28, 2016, the new Societies Act (British Columbia) became effective. The Society transitioned to the new act January 5, 2017.

## 1. Significant accounting policies:

### (a) Basis of presentation:

The financial statements have been prepared in accordance with the significant accounting policies set out below in order to comply with the Society's agreement with the British Columbia Housing Management Commission ("BC Housing"). The basis of accounting used in these financial statements materially differs from Canadian accounting standards for not-for-profit organizations because amortization is not provided on Brain Injury House and the Seniors' Centre over the estimated useful lives of these assets but rather at a rate equal to the annual principal reduction of the mortgages; and specific capital assets purchased from funding received from BC Housing are charged to operations in the year the expenditure is incurred rather than being capitalized and amortized over their estimated useful lives.

### (b) Fund descriptions:

The Capital Fund reports resources that are to be used for capital activities relating to the ongoing programs and facilities.

The Endowment Fund reports resources contributed for endowment.

The Other Fund reports externally and internally restricted reserves for specified programs and purposes.

The Operating Fund accounts for the operations of social services provided to families including child care, supportive and transition housing, respite care, residence for survivors of brain injury and seniors' assisted living. Funding is primarily from government organizations, fee for service income and rents.

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 1. Significant accounting policies (continued):

### (c) Revenue recognition:

The Society follows the deferral method of accounting for contributions which include donations and government grants.

The Society receives funding from several government sources, primarily at the provincial level. Operating grants are recorded as revenue in the period to which they relate. Grants approved, but not received, at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

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.

Externally restricted contributions, other than endowment contributions, are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized in revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue as it is earned.

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 1. Significant accounting policies (continued):

### (d) Capital assets:

Capital assets are stated at cost, except for the original land and 1893 building located on Kings Road which are valued at the nominal amount of \$1. Amortization is provided using the following basis and annual rates:

Asset	Basis	Rate
Building improvements - Kings Road	Straight-line	5 - 20 years
Building improvements - Kings Road - slate roof and brick restoration	Straight-line	50 years
Building - housing	Straight-line	25 years
Building improvements - housing	Straight-line	10 - 20 years
Building - Seniors' Centre	Principal reduction for the year	
Building - Child Care Centre	Straight-line	20 years
Building - Brain Injury House	Principal reduction for the year	
Building - Cridge Transition House for Women	Straight-line	25 years
Furniture and equipment	Straight-line	5 - 15 years
Computer equipment	Straight-line	3 years
Vehicles	Straight-line	5 years

When a capital asset no longer contributes to the Society's ability to provide services, its carrying value is written down to its residual value.

### (e) Replacement and vacancy reserves:

Major repairs and replacement of equipment are provided for by an annual transfer from operations and accumulated in the BC Housing replacement reserve in Other Funds. The cost of replacements is charged to operations in the year the expense is incurred and recovered from the reserve through a fund transfer when incurred. Other replacement and vacancy reserve transfers are recorded as fund transfers in the statement of operations and changes in net assets.

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 1. Significant accounting policies (continued):

### (f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value and all changes in the fair value are recognized in net income in the period incurred. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (g) Employee future benefits:

The Society and its employees contribute to a multi-employer plan for health related benefits, administered by the Community Services Benefit Trust and to the Municipal Pension Plan, a multi-employer defined benefit plan for pension benefits. Contributions to the plans are expensed as incurred.

The Society accrues sick leave liability for employees equal to 50% of the total hours included in the sick bank at year end. This amount is included in accrued employee benefit accruals.

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 1. Significant accounting policies (continued):

### (h) 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 and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include the estimated useful life of capital assets and the estimated sick leave liability. Actual results could differ from these estimates.

### (i) Contributed materials and services:

Donated materials and services are recognized in the financial statements when a fair value can be reasonably established, when the materials and services are used in the normal course of operations and would otherwise have been purchased.

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

### (j) Changes in accounting policies:

Section 4433, *Tangible capital assets held by not-for-profit organizations*, which directs organizations to apply the accounting guidance of Section 3061, Property Plant and Equipment in Part II of the CPA Canada Handbook. In so doing, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as a non-reversible impairment expense. In addition, where practical, to componentize capital assets when estimates can be made of the useful lives of the separate components.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairments of tangible assets that existed as at January 1, 2019.

The amendment is effective for financial statements for fiscal years beginning on or after January 1, 2019.

The implementation of this section had no impact on the financial statements.

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 2. Cash:

	2020	2019
Cash held at financial institutions	\$ 595,979	\$ 676,324
Petty cash	7,450	6,950
	<b>\$ 603,429</b>	<b>\$ 683,274</b>
Unrestricted cash	\$ 518,453	\$ 610,219
Restricted cash - Gaming account	84,976	73,055
	<b>\$ 603,429</b>	<b>\$ 683,274</b>

## 3. Investments and marketable securities:

Investments are recorded at quoted market values.

	2020	2019
<b>General Fund:</b>		
Fixed income	\$ 1,550,823	\$ 1,316,603
Mutual funds - Canadian equity	74,995	-
Canadian equities	766,150	1,082,936
Mutual funds - foreign equity	162,175	171,990
Foreign equity	808,008	738,306
	<b>3,362,151</b>	<b>3,309,835</b>
<b>Endowment Fund:</b>		
Fixed income	267,338	293,013
Mutual funds - Canadian equity	64,558	-
Canadian equities	143,999	208,737
Mutual funds - foreign equity	60,963	63,724
Foreign equity	143,761	129,657
	<b>680,619</b>	<b>695,131</b>
Sub total General and Endowment Funds	<b>4,042,770</b>	<b>4,004,966</b>

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 3. Investments and marketable securities (continued):

	2020	2019
Balance brought forward	4,042,770	4,004,966
<b>Zoie Gardner Endowment Fund:</b>		
Fixed income	700,385	480,204
Mutual funds - Canadian equity	31,624	109,964
Canadian equities	336,544	425,892
Mutual funds - foreign equity	254,328	186,477
Foreign equity	433,523	588,439
	<u>1,756,404</u>	<u>1,790,976</u>
<b>Replacement Reserve Fund - Restricted:</b>		
Fixed income	632,681	551,044
Mutual funds - Canadian equity	31,282	52,540
	<u>663,963</u>	<u>603,584</u>
	<u>\$ 6,463,137</u>	<u>\$ 6,399,526</u>

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 4. Capital assets:

	2020		
	Cost	Accumulated amortization	Net book value
Original land and building - Kings Road (aka 1307 Hillside Ave)	\$ 1	\$ -	\$ 1
Land (Brain Injury Residence, Cridge Transition House for Women and landscaping)	385,314	-	385,314
Building - Seniors' Centre	13,812,244	3,117,623	10,694,621
Building - Child Care Centre	2,469,492	1,866,062	603,430
Building improvements - Taylor Building (Seniors' Centre)	657,430	82,451	574,979
Building - housing	724,221	742,821	(18,600)
Building improvements - Seniors' Centre - Brick Restoration	426,236	14,340	411,896
Building improvements - housing	1,804,439	821,928	982,511
Building - Cridge Transition House for Women	530,053	530,053	-
Building - Brain Injury House	444,564	422,886	21,678
Furniture and equipment	1,089,138	1,016,643	72,495
Computer equipment	226,453	221,934	4,519
Vehicles	551,830	465,423	86,407
	<b>\$ 23,121,415</b>	<b>\$ 9,302,164</b>	<b>\$ 13,819,251</b>

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 4. Capital assets (continued):

	2019		
	Cost	Accumulated amortization	Net book value
Original land and building - Kings Road (aka 1307 Hillside Ave)	\$ 1	\$ -	\$ 1
Land (Brain Injury Residence, Cridge Transition House for Women and landscaping)	385,314	-	385,314
Building - Seniors' Centre	13,812,244	2,741,303	11,070,941
Building - Child Care Centre	2,469,492	1,741,217	728,275
Building improvements - Taylor Building (Seniors' Centre)	657,430	69,402	588,028
Building - housing	724,221	657,820	66,401
Building improvements - Seniors' Centre - Brick Restoration	426,236	5,816	420,420
Building improvements - housing	1,020,384	801,232	219,152
Building - Cridge Transition House for Women	530,053	530,053	-
Building - Brain Injury House	444,564	393,840	50,724
Furniture and equipment	1,086,484	980,438	106,046
Computer equipment	224,428	217,158	7,270
Vehicles	460,663	448,056	12,607
	<b>\$ 22,241,514</b>	<b>\$ 8,586,335</b>	<b>\$ 13,655,179</b>

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 5. Accounts payable and accrued charges:

Included in accounts payable and accrued charges as at March 31, 2020 are government remittances payable of \$24,858 (2019 – \$19,863) relating to federal and provincial sales taxes, payroll taxes, health taxes and workers' safety insurance.

## 6. Employee benefit accruals:

	2020	2019
Accrued sick bank	\$ 442,368	\$ 409,913
Accrued vacation	116,898	94,731
Other accruals	36,277	35,877
	<u>\$ 595,543</u>	<u>\$ 540,521</u>

## 7. Deferred donations:

Deferred donations consist of donations received for specific expenditures which will be incurred in subsequent years.

	2020	2019
Young Parent Outreach program funds	\$ 14,064	\$ 7,011
Day care program funds	5,684	6,909
Dovetail program funds	32,736	27,082
Cridge Transition House for Women funds	45,069	33,497
Cridge Transition House for Women contingency donations	47,261	34,557
Housing children fund	365	365
Traumatic Brain Injury funds	67,014	68,843
Anonymous donations	93,233	133,097
Respality donation	59,419	61,270
Property purchase fund	10,288	10,000
Playground donations	84,351	-
Seniors' Centre funds	7,782	11,712
Special Trust donation	40,127	41,865
	<u>\$ 507,393</u>	<u>\$ 436,208</u>

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 8. Long-term debt:

	2020	2019
Canada Mortgage and Housing Corporation, ("CMHC"), interest at 2.93% due August 1, 2021, repayable at \$2,951 principal and interest per month, secured by the Brain Injury Residence	\$ 202,113	\$ 231,159
Peoples Trust Company, interest at 2.385%, due November 1, 2026, repayable at \$43,268 principal and interest per month secured by land and buildings located at Kings Road (aka 1307 Hillside Avenue)	8,788,791	9,095,472
	8,990,904	9,326,631
Less current portion long-term debt	343,969	335,727
	\$ 8,646,935	\$ 8,990,904

Principal repayments due on long-term debt for each of the next five years and thereafter under these terms are as follows:

2021	\$ 343,969
2022	493,758
2023	329,289
2024	337,189
2025	345,279
Thereafter	7,141,420
	\$ 8,990,904

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 9. Deferred revenue:

	2020	2019
<b>Operating:</b>		
Capital Region Housing Corporation lease commenced January 1, 1984. Initial deferred amount of \$808,000 is being brought into income over the 41 year term of the lease at \$19,707 annually	\$ 93,618	\$ 113,325
Grants and revenue received in advance of services rendered	550,426	469,355
	<u>644,044</u>	<u>582,680</u>
Less current portion	570,133	489,061
	<u>\$ 73,911</u>	<u>\$ 93,619</u>

	2020	2019
<b>Capital:</b>		
Colonel Harland Sanders Charitable Foundation and Queen Alexandra Foundation (now known as Children's Health Foundation of Vancouver Island) each donated \$1,000,000. Private donations and a grant from the Province of BC make up the balance of the initial deferred amounts for the Child Care Centre totaling \$2,415,589 which are being brought into income over 20 years, commencing January 2005 at \$120,779 annually	\$ 574,116	\$ 694,896
Private donations, grants and remainder trust is the funding towards the Seniors' Centre which opened November 2006. Initial deferred amounts of \$1,275,092 are being brought into income over 35 years at \$36,431 annually	789,409	825,840
Balance carried forward	1,363,525	1,520,736

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 9. Deferred revenue (continued):

	2020	2019
Balance brought forward	1,363,525	1,520,736
Private donations and grants received from The Real Estate Foundation of B.C., The Victoria Foundation, Coast Capital Savings Credit Union, City of Victoria, United Way of Greater Victoria, and the Capital Regional District were used towards the renovations of two six bedroom townhouses into eight one bedroom units for transitional housing for women. The project completed at the end of October 2009. The initial deferred amount of \$329,608 is being brought into income over 20 years	157,986	174,466
CMHC forgivable loan of \$1,000,000 for the building of the Seniors' Centre commencing December 1, 2006. The 35 year forgivable loan will be brought into income starting in the eleventh year (2017) at a rate of \$40,000 per year for the final 25 years of the mortgage, provided the Society continues to meet the terms and conditions of the forgivable loan	863,562	903,562
CMHC forgivable loan of \$360,000 bearing interest at 7.625% related to the Residential Rehabilitation Assistance Program for housing renovations for the heritage building to be earned over 15 years, commencing December 1, 2006. The forgivable loan will be brought into income each year for the next 15 years at a rate of \$24,000 per year, provided the Society continues to meet the terms and conditions of the forgivable loan	40,044	64,044
Private donation for the replacement of kitchen cabinets at the brain injury residence was received in June 2011. Initial deferred amount of \$8,400 is being brought into income over 10 years at \$840 annually	944	1,784
Balance carried forward	2,426,061	2,664,592

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 9. Deferred revenue (continued):

	2020	2019
Balance brought forward	2,426,061	2,664,592
Private donation for closet organizers at the brain injury residence was received in April 2018. Initial deferred amount of \$4,253 is being brought into income over 5 years at \$851 annually.	2,552	3,402
The Child Care Centre received a Variety Club - The Children's Charity grant and donations to purchase a new handicapped accessible bus in 2019. Initial deferred amount of \$91,164 is being brought into income over 5 years at \$18,233 annually.	76,980	-
The Child Care Centre received donations towards the purchase of new playground equipment which was installed February 28, 2015. Initial deferred amount of \$53,952 is being brought into income over 5 years at \$10,790 annually	-	9,874
The Cridge Seniors' Centre received grants from the Victoria Civic Heritage Trust and private donations to assist with the assessment and repairs of the exterior historic masonry of the Taylor Building. The restoration was completed in July 2018. Initial deferred amount of \$65,980 is being brought into income over 50 years at \$1,320 annually.	63,760	65,080
The Cridge Transition House received private donations for the replacement of kitchen cabinets and countertops in July 2015. Initial deferred amount of \$10,939 is being brought into income over 10 years at \$1,094 annually	5,787	6,881
BC Housing Forgivable loan of \$41,920 for New Make-up Air Units for the Cridge Seniors' Centre commencing June 8, 2018. The 10 year forgivable loan will be brought into income each year for the next 10 years at a rate of \$4,192 per year, provided the Society continues to meet the terms and conditions of the forgivable loan	34,327	38,519
Balance carried forward	2,609,467	2,788,348

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 9. Deferred revenue (continued):

	2020	2019
Balance brought forward	2,609,467	2,788,348
The Cridge Centre for the Family received a private donation for the purchase of a commercial popcorn maker in December 2018. Initial deferred amount of \$1,705 is being brought into income over 5 years at \$341 annually.	1,281	1,622
B.C. Housing through CMHC (Federal Social Infrastructure Fund Grant) forgivable loan of \$784,058 for renovations in the Cridge Supportive Housing for interior unit upgrades commencing June 14, 2018. The 10 year forgivable loan will be brought into income each year for the next 10 years, commencing recognition at June 14, 2019 at a rate of \$78,406 per year, provided the Society continues to meet the terms and conditions of the forgivable loan.	721,761	-
	3,332,509	2,789,970
Less current portion	342,967	256,202
	\$ 2,989,542	\$ 2,533,768

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 10. Endowment Fund:

	2020	2019
<b>Externally restricted:</b>		
Mary Cridge Endowment - Awards Fund	\$ 9,857	\$ 9,857
Coast Capital Savings Endowment	20,475	20,475
Margaret T. Clinch Endowment	153,823	153,823
Edward and Jeannine Cridge Endowment	24,500	24,500
Respitality Victoria Endowment	94,878	94,878
Keys in Hand Endowment	75,396	74,996
Endowment accrued interest	2,830	3,392
Senior's Pay it Forward Endowment	11,770	6,675
Ranica Endowment	7,698	7,623
The Zonnenberg Endowment Fund	19,800	-
	421,027	396,219
<b>Internally restricted:</b>		
Undistributed endowment earnings	276,713	319,478
	\$ 697,740	\$ 715,697

## 11. Other funds:

	2020	2019
<b>Externally restricted:</b>		
Zoie Gardner Fund	\$ 1,785,986	\$ 1,885,325
Replacement Reserve	669,470	603,584
	2,455,456	2,488,909
<b>Internally restricted:</b>		
Replacement Reserve	720,886	662,061
Vacancy Reserve	57,659	49,105
Traumatic Brain Injury Reserve	16,656	16,656
Future Programming	115,930	73,800
	911,131	801,622
	\$ 3,366,587	\$ 3,290,531

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

## 12. Change in non-cash operating working capital:

	2020	2019
Accounts receivable	\$ (75,481)	\$ 63,477
Inventory	6	10
Prepaid expenses	(18,392)	(13,639)
Accounts payable and accrued charges	42,755	(181,042)
Employee benefit accruals	55,022	22,699
Deferred revenue - operating	81,072	81,087
	\$ 84,982	\$ (27,408)

## 13. Related party - Cridge Housing Society:

The Cridge Centre for the Family is related to the Cridge Housing Society as the boards of both organizations are comprised of the same directors. The Cridge Housing Society is incorporated under the Societies Act (British Columbia).

The purpose of the Cridge Housing Society is to hold land leased from the Provincial Rental Housing Corporation and buildings mortgaged through BC Housing. The assets are restricted to be used for the purpose of providing rental housing to families and persons with disabilities. The Homes BC Operating Agreement related to the assets was assigned to Capital Regional Housing Corporation.

The Cridge Housing Society has not been consolidated in the Cridge Centre for the Family's financial statements. As at March 31, 2020, the Cridge Housing Society had total assets of \$2,909,109 (2019 - \$3,071,468), total liabilities of \$2,909,004 (2019 - \$3,071,363), and total fund balances of \$105 (2019 - \$105).

As at March 31, 2020, there are no amounts owing from or to the Cridge Housing Society to The Cridge Centre for the Family nor were there any transactions reported in revenues or expenses between the organizations.

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 14. Commitments:

The Society rents equipment and contracts services under operating leases. Commitments for minimum annual lease payments for the next five years and thereafter under the various operating leases are as follows:

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2021	\$	265,500
2022		191,600
2023		100,900
2024		48,400
2025		44,100
Thereafter		8,700
	\$	659,200

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## 15. Contingencies:

CMHC has provided the Society with forgivable loans totaling \$2,185,978 (note 9) to enable the Society to build the Seniors' Centre and complete various building renovations. The loans are being brought into income over the useful life of the associated assets. The remaining balance of these loans is \$1,659,694 (2019 - \$1,006,125). There is no requirement to repay these funds other than as a result of an event of default under the agreement with CMHC.

## 16. Employee future benefits:

### (a) Municipal Pension Plan:

The Society and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry- age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 16. Employee future benefits (continued):

### (a) Municipal Pension Plan (continued):

The most recent valuation as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2021, with results available later in 2022. The actuary does not attribute portions of the unfunded liability to individual employers. The Society paid \$291,182 (2019 - \$261,677) for employer contributions to the plan in fiscal 2020.

### (b) Community Services Benefit Trust:

The Society and its employees contribute to the Community Services Benefit Trust, a multi-employer plan for long-term disability, group life insurance, accidental and serious illness, extended health, dental and medical service premiums. The Society paid \$398,186 for employer contributions to the Community Services Benefit Trust in fiscal 2020 (2019 - \$362,658).

## 17. Financial risks and concentration of risk:

### (a) Foreign currency risk:

The Society holds investments in equities outside of Canada which are subject to foreign exchange risk. At March 31, 2020, the Society held foreign investments with a fair value of \$1,862,758 (2019 - \$1,878,593).

### (b) Interest rate risk:

The Society's long-term debt has fixed interest rates until August 1, 2021 and November 1, 2026 (note 8). The Society is not subject to interest rate risk until refinancing of the long-term debt.

The Society is exposed to interest rate risk related to its investments in fixed income funds. The fair value of these funds is directly impacted by changes in interest rates.

# THE CRIDGE CENTRE FOR THE FAMILY

Notes to Financial Statements (continued)

Year ended March 31, 2020

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## 17. Financial risks and concentration of risk (continued):

### (c) Credit risk:

Credit risk arises from cash held with banks and financial institutions and credit exposure to accounts receivable balances. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Society assesses the credit quality of the counter parties, taking into account their financial position, past experience, and other factors. It is management's opinion that the Society is not exposed to significant credit risk.

Interest rate and credit risk are managed through the Society's policy of dealing with high credit quality financial institutions and its Investment Policy which specifies the required asset mix and eligible securities permitted within its investment portfolio.

### (d) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change to the risk exposures from 2019.

## 18. Employee and contractor remuneration:

The BC Societies Act came into effect on November 28, 2016. The Act has a requirement for the disclosure in the financial statements of the remuneration of directors, employees and contractors for financial statements prepared after November 28, 2016. For employee and contractor remuneration the requirement is to disclose amounts paid to individuals whose remuneration was greater than \$75,000. For the fiscal year ending March 31, 2020, the Society paid remuneration (including wages and benefits) of \$679,595 to 7 employees (2019 - \$580,590 to 6 employees), each of whom received total annual remuneration of \$75,000 or greater. There were no remuneration payments made to directors.

## 19. COVID-19:

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effect on the Society is not practicable at this time.

# THE CRIDGE CENTRE FOR THE FAMILY

Statement of Operations and Changes in Net Assets

Schedule

Year ended March 31, 2019

	Capital Fund	Endowment Fund (note 10)	Other Funds (note 11)	Operating Fund	Total
<b>Revenue:</b>					
Government contracts	\$ -	\$ -	\$ -	\$ 4,274,953	\$ 4,274,953
Fee for service income	-	-	-	1,649,713	1,649,713
Rents and leases	-	-	-	2,286,383	2,286,383
Donations and bequests	-	-	-	480,717	480,717
Amortization of deferred revenue	258,153	-	-	19,707	277,860
Other income	-	-	-	23,220	23,220
	258,153	-	-	8,734,693	8,992,846
<b>Expenses:</b>					
Salaries and benefits	-	-	-	5,078,093	5,078,093
Program costs	-	-	-	1,897,006	1,897,006
Mortgage interest	-	-	-	226,241	226,241
Occupancy	-	-	-	751,415	751,415
Amortization of capital assets	636,855	-	-	-	636,855
Administration	-	-	-	348,588	348,588
Professional fees	-	-	-	90,971	90,971
Transportation	-	-	-	65,396	65,396
	636,855	-	-	8,457,710	9,094,565
Program income (deficit)	(378,702)	-	-	276,983	(101,719)
<b>Other income:</b>					
Capital gains and interest	-	-	-	179,745	179,745
Unrealized gain	-	-	-	207,011	207,011
	-	-	-	386,756	386,756
<b>Excess (deficiency) of revenue over expenses</b>					
	(378,702)	-	-	663,739	285,037
Net assets, beginning of year	1,371,106	667,504	3,057,429	1,393,400	6,489,439
Contributions to endowment funds	-	4,367	-	-	4,367
<b>Transfers:</b>					
Recovery of reserve expenses	-	-	(71,437)	71,437	-
Allocations to reserves	-	-	123,685	(123,685)	-
Net investment in capital assets	218,451	-	-	(218,451)	-
Mortgage principal	327,723	-	-	(327,723)	-
Allocation of investment income	-	20,869	51,625	(72,494)	-
Allocation of fees	-	(4,625)	-	4,625	-
Recovery of disbursements	-	-	(20,000)	20,000	-
Allocation of unrealized gain	-	27,582	75,429	(103,011)	-
Allocation to future programming	-	-	73,800	(73,800)	-
Net assets, end of year	\$ 1,538,578	\$ 715,697	\$ 3,290,531	\$ 1,234,037	\$ 6,778,843