ACCOUNTANTS COPY

JOHN HOWARD SOCIETY OF THE CENTRAL AND SOUTH OKANAGAN

FINANCIAL STATEMENTS

Audited

MARCH 31, 2015

JOHN HOWARD SOCIETY OF THE CENTRAL AND SOUTH OKANAGAN

MARCH 31, 2015

CONTENTS

PMF Inc.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of:
John Howard Society of the Central and South Okanagan

We have audited the accompanying financial statements of John Howard Society of the Central and South Okanagan, which are comprised of the statement of financial position as at March 31, 2015 and the statements of receipts and disbursements, changes in fund balances 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian accounting standards for not-for-profit organizations. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of John Howard Society of the Central and South Okanagan as at March 31, 2015 and its financial performance and cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-protfit organizations.

Peter McFadden

Kelowna, BC
August 4, 2015

CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
(Audited)
AS AT MARCH 31, 2015

ASSETS

	Operating Fund 2015	Housing Fund 2015	Tangible Capital Asset Fund 2015	Total 2015	March 31, 2014
CURRENT					
Cash - unrestricted	$ 201,778	$ -	$ -	$ 201,778	$ 120,547
- restricted (Note 2)	43,163	136,926	-	180,089	446,672
Marketable securities	45,320	-	-	45,320	41,661
Accounts receivable	64,634	31,810	-	96,444	82,668
Interfund receivable (payable)	142,659	(142,659)	-	-	-
GST receivable	1,868	-	-	1,868	2,743
Prepaid expenses	2,959	10,593	-	13,552	14,478
Current portion of mortgage receivable (Note 3)	2,873	-	-	2,873	6,666
Funds in trust (Note 4)	-	-	355,106	355,106	442,226
	505,254	36,670	355,106	897,030	1,157,661
REPLACEMENT RESERVE CASH (Note 5)	-	162,053	-	162,053	122,330
MORTGAGE RECEIVABLE (Note 3)	67,204	-	-	67,204	80,306
TANGIBLE CAPITAL ASSETS (Note 6)	-	-	9,093,444	9,093,444	9,436,038
	$ 572,458	$ 198,723	$ 9,448,550	$ 10,219,731	$ 10,796,335

STATEMENT OF FINANCIAL POSITION (Continued)
(Audited)
AS AT MARCH 31, 2015

LIABILITIES

	Operating Fund 2015	Housing Fund 2015	Tangible Capital Asset Fund 2015	Total 2015	March 31, 2014
CURRENT					
Accounts payable and accrued liabilities	$ 39,107	$ 33,375	$ -	$ 72,482	$ 70,802
Government remittances payable	1,756	597	-	2,353	84
Security deposits	-	18,331	-	18,331	14,099
Deferred revenues	41,250	105,911	-	147,161	147,098
BC Housing advance	-	-	1,875	1,875	-
Accrued interest on mortgages payable (Note 8)	1,394	26,733	-	28,127	27,530
Current portion of capital lease obligations (Note 9)	-	-	-	-	2,713
Current portion of mortgages payable (Note 8)	-	-	206,063	206,063	3,805,919
	83,507	184,947	207,938	476,392	4,068,245
MORTGAGES PAYABLE (Note 8)	-	-	10,292,809	10,292,809	6,972,715
	83,507	184,947	10,500,747	10,769,201	11,040,960

FUND BALANCES

	Operating Fund 2015	Housing Fund 2015	Tangible Capital Asset Fund 2015	Total 2015	March 31, 2014
Fund balance	488,951	(141,336)	(1,052,197)	(704,582)	(366,955)
Replacement reserve fund (Note 10)	-	155,112	-	155,112	122,330
	$ 572,458	$ 198,723	$ 9,448,550	$ 10,219,731	$ 10,796,335

COMMITMENTS (Note 11)

APPROVED ON BEHALF OF THE BOARD:

_______________ Director _______________ Director

STATEMENT OF RECEIPTS AND DISBURSEMENTS
(Audited)
FOR THE YEAR ENDED MARCH 31, 2015

	Operating Fund 2015	Housing Fund 2015 (Schedule A)	Tangible Capital Asset Fund 2015	Total 2015	2014
RECEIPTS					
British Columbia Housing Program (Note 12)	-	1,103,995	-	1,103,995	1,064,768
Other grants and government income (Note 13)	395,925	-	-	395,925	336,980
Other housing grants and income	87,412	274,865	-	362,277	371,495
Rental income	5,603	378,693	-	384,295	366,028
"REnEW" Program	85,606	-	-	85,606	140,147
One Cup Café receipts	107,123	-	-	107,123	169,195
Adult Restorative Justice Program	51,500	-	-	51,500	54,150
Correctional Services Canada Program	-	-	-	-	18,601
United Way	10,000	-	-	10,000	17,000
Gains on investments	3,659	-	-	3,659	2,838
Other revenue (Note 14)	18,289	-	4,387	22,677	30,211
	765,117	1,757,553	4,387	2,527,057	2,571,413
DISBURSEMENTS					
General Program and Administrative					
Amortization	-	-	383,312	383,312	395,244
Accounting and legal	957	32,278	-	33,236	34,035
Board development	1,644	-	-	1,644	8,764
Insurance	10,012	30,271	-	40,283	36,932
Office and miscellaneous	48,535	32,799	-	81,335	66,492
Telecommunication	8,864	-	-	8,864	9,208
Training	5,720	1,786	-	7,505	12,997
Vehicle and travel	15,410	3,490	-	18,899	16,024
Wages, benefits and contractors	419,166	773,035	-	1,192,201	1,159,635
Housing Expenses					
Grounds maintenance	-	3,104	-	3,104	802
Maintenance labor	-	76,098	-	76,098	63,949
Miscellaneous building	-	46,803	-	46,803	37,017
Waste removal	-	5,832	-	5,832	4,543
Service contracts	-	34,445	-	34,445	29,257
Mortgage interest	16,835	326,690	-	343,525	333,075
Property taxes	642	50	-	692	297
Utilities	8,017	106,965	-	114,983	112,602
Other housing	23,703	30,223	-	53,925	43,766
Program Specific Expenses					
One Cup Café expenses	51,528	-	-	51,528	48,057
REnEW program	56,340	-	-	56,340	78,090
Other program expenses (Note 15)	19,903	-	-	19,903	22,832
	687,276	1,503,869	383,312	2,574,457	2,513,618
(DEFICIENCY) EXCESS OF RECEIPTS OVER DISBURSEMENTS	$ 77,841	$ 253,684	$ (378,925)	$ (47,400)	$ 57,795

STATEMENT OF CHANGES IN FUND BALANCES
(Audited)

FOR THE YEAR ENDED MARCH 31, 2015

	Operating Fund 2015	Housing Fund 2015	Tangible Capital Asset Fund 2015	Restricted reserves - Housing 2015	Total 2015	Total 2014
BALANCE, beginning of year	$ 466,687	$ 69,445	$ (903,087)	$ 122,330	$ (244,625)	$ (302,420)
Adjustment for BC Housing subsidy repayment (Note 16)	-	(257,445)	-	-	(257,445)	-
	466,687	(188,000)	(903,087)	122,330	(502,070)	(302,420)
(Deficiency) excess of receipts over disbursements	77,841	253,608	(378,925)	76	(47,400)	57,795
Interfund transfers						
Mortgage principal repayments	(16,682)	(263,081)	279,763	-	-	-
Capital lease payments	(2,713)	-	2,713	-	-	-
Replacement reserve provision	-	(56,880)	-	56,880	-	-
Miscellaneous interfund transfers	(23,125)	140,699	(117,574)	-	-	-
Property and equipment disposal/acquisition	(13,057)	(27,682)	64,913	(24,174)	-	-
BALANCE, end of year	$ 488,951	$ (141,336)	$ (1,052,197)	$ 155,112	$ (549,470)	$ (244,625)

STATEMENT OF CASH FLOWS
(Audited)

FOR THE YEAR ENDED MARCH 31, 2015

		2015		2014
CASH FROM (USED) IN OPERATING ACTIVITIES				
Net loss	$	(47,400)	$	57,795
Adjustment for non-cash items:				
Amortization		383,312		395,244
Unrealized gains on marketable securities		(3,659)		(2,838)
		332,253		450,201
CHANGES IN NON-CASH WORKING CAPITAL				
Increase in accounts receivable		(12,986)		(18,662)
Decrease (increase) in prepaid expenses		926		(2,024)
Decrease in funds in trust		87,120		84,585
Increase in accounts payable and accrued liabilities		4,055		11,004
Increase (decrease) in security deposits		4,232		(435)
Increase (decrease) in deferred revenue		63		(20,653)
		83,410		53,815
CASH FLOWS (USED IN) FROM FINANCING AND INVESTING ACTIVITIES				
Decrease in construction in progress		1,875		-
Mortgage receivable (accrual) repayments		16,895		(4,233)
Purchase of tangible capital assets		(40,739)		(90,759)
Repayment of BC Housing subsidy		(257,445)		-
Long-term debt (repayments)		(281,878)		(211,345)
		(561,292)		(306,337)
NET (DECREASE) INCREASE IN CASH		(145,629)		197,679
NET CASH, beginning of year		689,549		491,870
NET CASH, end of year	$	543,920	$	689,549
Unrestricted cash, end of year	$	201,778	$	120,547
Restricted cash, end of year		342,142		569,002
TOTAL CASH, end of year	$	543,920	$	689,549

The Society provides criminal justice related programs and services for adults. The Society is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes, provided certain requirements of the Canadian Income Tax Act are met.

These financial statements have been prepared by management in accordance with accounting standards for not-for-profit organizations. The following is a summary of the significant accounting policies used by Management in the preparation of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Actual results could differ from these estimates.

(b) Fair Values of Financial Instruments

The Society's financial instruments consist of cash, marketable securities, accounts receivable, a mortgage receivable, accounts payables and accrued liabilities and mortgages payable.

Cash and marketable securities are measured at fair value, and accounts receivable, mortgage receivable, accounts payable and accrued liabilities and mortgages payable at amortized cost.

Changes in fair value of cash and marketable securities are recognized in the statement of operations in the period in which they arise.

(c) Fund Accounting

The Society follows the restricted fund method of accounting for contributions.

The *Operating Fund* reports unrestricted operating grants and receipts and disbursements related to the Society's activities outside of the Cardington and New Gate housing operations.

The *Housing Fund* reports the assets, liabilities, receipts and disbursements related to the Cardington and New Gate housing operations and its related restrictions as reserves for capital replacements and improvements.

The *Tangible Capital Asset Fund* reports the ownership and equity related to the Society's tangible capital assets and any restricted contributions or grant revenues related to property and equipment.

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

(d) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost, less accumulated amortization. The Society occasionally receives donations and grants restricted for capital purchases or construction. It is the policy of the Society to directly reduce the cost of the asset purchased/constructed by the amount received. When management determines that certain tangible capital assets no longer contribute to the Society's ability to provide services, their carrying amount is written down to its residual value.

Assets are being amortized at rates calculated to write off the assets over their estimated useful lives as follows, with half the amortization taken in the year of acquisition:

Land	- Nil	
Buildings and improvements	- 4%	diminishing balance
Computer equipment	- 45%	diminishing balance
One Cup Cafe equipment	- 20%	diminishing balance
Furniture and fixtures	- 20%	diminishing balance
Leasehold improvements	- 5	years, straight-line
Equipment under capital lease	- 20%	diminishing balance

(e) Revenue Recognition

Contributions received from the British Columbia Housing Management Commission ("BC Housing") for the Cardington and New Gate housing operations have been reported in the Housing fund, including those specified for replacement reserves. Contributions received from BC Housing for the acquisition of property and equipment have been recognized as revenue in the Property and equipment fund.

All other contributions are recognized as revenue of the appropriate fund in the year in which the related disbursements are incurred.

Interest income earned is recognized as revenue in the appropriate fund in the period in which the investment income is earned.

The deferred revenue reported in the Operating fund represents restricted operating funds received in the current year that relate to the subsequent period.

Rental and other service related revenues are recognized in the appropriate fund as they are earned and collection is reasonably assured.

(f) Administrative Costs

The Society allocates administrative overhead costs (office overhead, accounting and salaries) between the Housing and Operating funds based on budgeted amounts. The balance of the expenses are direct costs which are allocated to the operations to which they relate.

(g) Contributed Materials and Services

The Society receives a contribution of volunteer hours and contributed materials. Only those items which qualify for a donation receipt under the Income Tax Act are recorded in the books and records.

2. RESTRICTED CASH

(a) *Restricted Cash - Operating*

Restricted cash in the operating fund consists of unspent, deferred grant funding that must be accounted for in a separate bank account as specified by the grantor and must be used for a specific purpose. The balance is comprised of the following:

	2015	2014
Gaming Account	$ 43,163	$ 52,260

(b) *Restricted Cash - Housing*

Restricted cash in the housing fund for current purposes consists of the following:

	2015	2014
Cardington Apartments	$ 48,813	$ 164,048
New Gate Apartments	88,113	230,365
	$ 136,926	$ 394,413

3. MORTGAGE RECEIVABLE

	2015	2014
Mortgage receivable	$ 70,077	$ 86,973
Less: current portion	2,873	6,667
	$ 67,204	$ 80,306

The mortgage receivable from The Howard-Fry Society is secured by a mortgage over certain real property and an assignment of rents. The mortgage is repayable at $526 per month, including interest at 5% per annum, with the balance due November 1, 2016.

4. FUNDS IN TRUST AND RESTRICTIONS ON FUNDS IN TRUST

Funds in trust is comprised of:

	Cardington Apartments	New Gate Apartments	Total 2015	2014
Funds in trust	$ (180)	$ 337,142	$ 336,962	$ 417,136
Accrued interest	180	17,965	18,145	25,090
	$ -	$ 355,107	$ 355,107	$ 442,226

Cardington Apartments funds in trust - Funds for the Society's Cardington Apartments are being held by BC Housing in trust. Excess funds at the completion of a building project are held in trust for future improvements or applied against the principle of the mortgage related to Cardington. The use of these funds is externally restricted by BC Housing. During the year, at the discretion of BC Housing, funds available for Cardington were used to reduce the amount of the mortgage associated with Cardington, as the mortgage was renewed in the year.

New Gate Apartments funds in trust - Funds for the Society's New Gate Apartments are being held by BC Housing in trust. Excess funds at the completion of a building project are held in trust for future improvements or applied against the principle of the mortgage related to New Gate. The use of these funds is externally restricted by BC Housing.

5. REPLACEMENT RESERVE CASH

Replacement reserve cash is comprised of the following amounts:

	2015	2014
Cardington Apartments, replacement reserve	$ 71,509	$ 63,143
New Gate Apartments, replacement reserve	90,544	59,187
	$ 162,053	$ 122,330

Cardington Apartments replacement reserve - Funds are externally restricted under the terms of the agreement with BC Housing. The replacement reserve account is to be credited in the amount determined by the budget provision, per annum plus interest earned. These funds, along with the accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or the Credit Union Deposit Insurance Corporation, in an investment in accordance with the Society Act or the Municipal act, in an investment guaranteed by a Canadian government, or in other investment instruments as agreed upon with BC Housing. The reserve is restricted by the operating agreement to capital repairs, replacements and improvements. During the current year the budget provision for the reserve was $21,600 (2014 - $21,600); the Society funded the reserve $21,600.

5. REPLACEMENT RESERVE CASH (continued)

New Gate Apartments replacement reserve - Funds are externally restricted under the terms of the agreement with BC Housing. The replacement reserve account is to be credited in the amount determined by the budget provision, per annum plus interest earned. These funds, along with the accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or the Credit Union Deposit Insurance Corporation, in an investment in accordance with the Society Act or the Municipal act, in an investment guaranteed by a Canadian government, or in other investment instruments as agreed upon with BC Housing. The reserve is restricted by the operating agreement to capital repairs, replacements and improvements. During the current year the budget provision for the reserve was $35,280 (2014 - $35,280); the Society funded the reserve $35,280.

6. TANGIBLE CAPITAL ASSETS

	Cost	Amortization	Net 2015	Net 2014
Land	$ 3	$ -	$ 3	$ 3
1043 Harvey Street	544,647	125,288	419,359	429,355
Cardington Apartments	4,003,572	917,092	3,086,480	3,207,465
Cardington equipment	1,362	577	785	981
New Gate Apartments	6,406,610	841,209	5,565,401	5,784,130
Computer equipment	20,777	12,370	8,407	820
Furniture and fixtures	11,943	8,777	3,166	3,362
One Cup Cafe equipment	23,469	13,626	9,843	-
Leasehold improvements	1,965	1,965	-	140
	$ 11,014,348	$ 1,920,904	$ 9,093,444	$ 9,436,038

7. ASSETS UNDER CAPITAL LEASE

During the year, the Society completed a lease buyout for the equipment under capital lease. The equiment has been included as part of tangible capital assets at its cost less accumulated amortization, see Note 6.

	Cost	Amortization	Net 2015	Net 2014
Equipment under capital lease	-	-	-	9,782

8. MORTGAGES PAYABLE

	2015	2014
1043 Harvey Avenue - Royal Bank of Canada mortgage payable, secured by specific land and buildings and repayable at $2,796 per month including interest at 2.990%, due April 25, 2018.	$ 558,829	$ 575,511
Cardington Apartments - People's Trust mortgage payable, secured by specific land and buildings and repayable at $16,194 per month including interest at 3.480%, due May 1, 2024.	3,527,235	3,676,374
New Gate Apartments - TD Bank Group mortgage payable secured by specific land and buildings and repayable at $26,590 per month including interest at 3.189%, due March 1, 2022.	6,412,808	6,526,749
	10,498,872	10,778,634
Less current portion	(206,063)	(3,805,919)
Long term portion	$ 10,292,809	$ 6,972,715

Interest of $28,127 (2014 - $27,530) related to these mortgages has been accrued as of the year end date.

The estimated principal repayments required in each of the next five years or until expiry for each of the mortgages are as follows:

	1043 Harvey Avenue	Cardington Apartments	New Gate Apartments	Total
2016	$ 17,079	$ 72,733	$ 116,251	$ 206,063
2017	17,597	75,305	120,012	212,914
2018	18,131	77,968	123,773	219,872
2019	506,021	80,725	127,901	714,647
2020	-	83,579	132,040	215,619
	$ 558,828	$ 390,310	$ 619,977	$ 1,569,115

9. CAPITAL LEASE OBLIGATION

During the current year, the capital lease expired and the Society purchased the equipment at the lease buyout option available as part of the lease agreement.

10. CHANGES IN REPLACEMENT RESERVE FUND

a) Cardington Apartments

		2015		2014
Balance, beginning of year	$	63,143	$	52,240
Transfer from housing fund for the year		21,600		21,600
Interest income		34		27
Less:				
Transfer to property and equipment fund for asset replacement		(16,386)		(10,724)
Balance, end of year	$	68,391	$	63,143

b) New Gate Apartments

		2015		2014
Balance, beginning of year	$	59,187	$	34,587
Transfer from housing fund for the year		35,280		35,280
Interest income		42		20
Less:				
Transfer to property and equipment fund for asset replacement		(7,788)		(10,700)
Balance, end of year	$	86,721	$	59,187

11. COMMITMENTS

a) Cardington Apartments

The Society has a 60 year operating agreement with BC Housing to provide non-market residential accommodation at the Cardington Apartment residential complex for persons who are homeless, or at high risk of homelessness, because of physical, social or mental condition or disability. BC Housing agrees to provide subsidy to the Society for the difference between the tenant rent contribution and cost of operating the units, based on a budget approved by BC Housing. The Society's main responsibilities are to manage and maintain the building, prepare an annual operating budget for approval by BC Housing, ensure sound financial management, and enter into tenancy agreements with the tenants who meet the specifications contained in the agreement.

11. COMMITMENTS (continued)

b) New Gate Apartments

The Society has a 60 year operating agreement with BC Housing to provide non-market residential accommodation at the New Gate Apartment residential complex for persons who are homeless, or at high risk of homelessness. BC Housing agrees to provide subsidy to the Society for the difference between the tenant rent contribution and cost of operating the units, based on a budget approved by BC Housing. The Society's main responsibilities are to manage and maintain the building, prepare an annual operating budget for approval by BC Housing, ensure sound financial management, enter into tenancy agreements with the tenants who meet the specifications contained in the agreement, and deliver support services to help tenants achieve and maintain stability in housing and access to other community-based supports and services.

c) Operating Leases

The Society has a photocopier lease with payments of $224 per quarter expiring in November 2015 and a cable agreement for $509 per month expiring in June 2017.

Minimum payments expected in each of the next three years until expiry are approximately as follows:

Year ended March 31		Payments
2016	$	6,789
2017	$	6,741
2018	$	1,528

12. GOVERNMENT FUNDING AND ECONOMIC DEPENDENCE

During the current year, the Society received subsidy payments for the Cardington Apartments and New Gate Apartments housing projects totaling $532,098 (2014 - $507,104) and $571,897 (2014 - $557,664), respectively, from the provincial government. The Society also receives government funding for several other short and long term programs. The Society is dependent on these funds to operate Cardington Apartments, New Gate Apartments and its other government funded projects in their present manner.

13. OTHER GRANTS AND GOVERNMENT INCOME

The following are the amounts received by the Society:

	2015	2014
Bladerunners income	$ 63,084	$ 50,394
CAP Victim Services income	2,500	2,500
Community Living income	250,668	217,713
Forensic Psychiatric Services Commission	53,000	53,000
Ministry of Public Safety income	13,373	13,373
Government of Canada	13,300	-
	$ 395,925	$ 336,980

14. OTHER REVENUE

	2015	2014
Donations	$ 5,690	$ 2,589
Fundraising	4,245	9,347
Interest	28	68
Interest on funds in trust	4,387	6,174
Recovery of administration, insurance, and rent	323	-
Membership	80	-
Prostitution Offender Program	4,300	7,800
Investment income	3,624	4,233
	$ 22,677	$ 30,211

15. OTHER PROGRAM EXPENSES

	2015	2014
Bladerunner	$ 12,821	$ 12,054
Gateway program	4,522	5,078
Prositution Offender Program	1,360	3,325
Other program expenses	1,082	2,202
Adult Restorative Justice	119	173
	$ 19,904	$ 22,832

16. SUBSIDY ASSISTANCE ADJUSTMENTS

BC Housing conducts an annual review of the financial statements and may adjust for any operation surplus or deficit of the prior year related to Cardington Apartments and New Gate Apartments. These adjustments occur and are accounted for as changes in the opening fund balances in the year the adjustment is communicated to the Society. In the current year, there was a subsidy repayment of $257,445 (2014 - $nil) that relates to fiscal years ending March 31, 2012, 2013 and 2014.

17. TENANT RENT

The Society has verification of the income and assets of all tenants on file as required by the operating agreements with BC Housing. The tenant rent contributions, as approved by BC Housing, are being charged correctly to the tenants.

18. SUBSEQUENT EVENTS

Subsequent to year end, the Society purchased a house located at 2817 Springfield Road in the amount of $368,243 to provide housing accomodations for an individual with development disabilities. The Society used cash in the amount of of $29,367 and the remainder of the purchase was financed through funds received from Howard Fry in the amount of $68,876 and obtaining a non-revolving term loan in the amount of $270,000. Both loans combined are payable in monthly payments of $1,661 including interest at 3.27% commencing in August 2015.

19. COMPARATIVE FIGURES

Certain comparative figures have been revised to conform with the financial statement formatting changes adopted in the current year.