



Financial Statements

(Unaudited - see Notice to Reader)

Tikva Housing Society

August 31, 2020

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Notice to Reader

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On the basis of information provided by the organization, we have compiled the statement of financial position of Tikva Housing Society as at August 31, 2020 and the statements of operations and changes in net assets and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Vancouver, Canada
November 20, 2020

Grant Thornton LLP

Chartered Professional Accountants

Tikva Housing Society

Statement of Operations and Changes in Net Assets

(Unaudited - see Notice to Reader)

Year ended August 31

	2020	2019
Revenues		
Rent	\$ 234,721	\$ 233,664
Other items	31,843	20,435
Interest income	3,397	1,281
Membership fee revenue	468	430
Grants (contributed support)	78,018	77,600
Donations	<u>266,600</u>	<u>172,719</u>
	<u>615,047</u>	<u>506,129</u>
Expenses		
Administration expenses (Schedule 1)	139,661	120,632
Building operating expenses (Schedule 1)	161,756	175,203
Financing expenses (Schedule 1)	12,793	13,679
Fundraising expenses (Schedule 1)	2,744	3,026
Rent subsidy (Schedule 1)	100,688	107,493
Amortization	<u>38,586</u>	<u>39,984</u>
	<u>456,228</u>	<u>460,017</u>
Excess of revenues over expenses	<u>158,819</u>	<u>46,112</u>
Debt forgiveness (Note 5)	51,000	51,000
Vacancy Loss	<u>-</u>	<u>(705)</u>
	<u>51,000</u>	<u>50,295</u>
Excess of revenues over expenses	209,819	96,407
Net assets, beginning of year	<u>2,397,680</u>	<u>2,301,273</u>
Net assets, end of year	<u>\$ 2,607,499</u>	<u>\$ 2,397,680</u>

Tikva Housing Society

Statement of Financial Position

(Unaudited - see Notice to Reader)

August 31

2020

2019

Assets

Current

Cash (Note 2)

- General

\$ 359,661 \$ 140,609

- Capital projects fund

- 1

- Replacement reserve fund

58,102 36,356

Term deposits (Capital projects fund)

- 26,502

Accounts receivable

32,125 68,986

Interest receivable

135 354

GST/HST refundable

6,852 7,988

Prepaid expenses

6,826 7,293

463,701 288,089

Long-term

Property, plant and equipment (Note 3)

3,197,351 3,235,629

\$ 3,661,052 **\$ 3,523,718**

Liabilities

Current

Accounts payable

\$ 7,786 \$ 10,111

Deposits payable

13,231 13,121

Deferred revenue

16,565 14,364

Current portion of mortgages loan payable (Note 4)

22,337 21,595

59,919 59,191

Long-term

MCAP Mortgage (Note 4)

330,634 352,847

BC Housing Loan - deferred income (Note 5)

663,000 714,000

993,634 1,066,847

1,053,553 1,126,038

Net assets (Note 6)

2,607,499 2,397,680

\$ 3,661,052 **\$ 3,523,718**

On behalf of the board

Director

Director

Tikva Housing Society

Statement of Cash Flows

(Unaudited - see Notice to Reader)

Year ended August 31

	2020	2019
Increase (decrease) in cash		
Operating		
Excess of revenues over expenses	\$ 209,819	\$ 96,407
Item not affecting cash		
Amortization	<u>38,586</u>	<u>39,985</u>
	248,405	136,392
Change in non-cash working capital items		
Accounts receivable	36,861	(68,641)
Interest receivable	218	60
GST/HST refundable	1,136	893
Prepaid expenses	467	(1,226)
Accounts payable	(2,326)	415
Deposits payable	110	3,055
Deferred revenue	<u>2,201</u>	<u>(4,600)</u>
	<u>287,072</u>	<u>66,348</u>
Financing		
Mortgage principal repayments	(21,471)	(20,829)
Debt forgiveness - BC Housing loan	<u>(51,000)</u>	<u>(51,000)</u>
	<u>(72,471)</u>	<u>(71,829)</u>
Investing		
Term deposits (Capital projects fund)	26,502	(607)
Purchase of property, plant and equipment	<u>(306)</u>	<u>(6,003)</u>
	<u>26,196</u>	<u>(6,610)</u>
Increase (decrease) in cash	240,797	(12,091)
Cash		
Beginning of year	<u>176,966</u>	<u>189,057</u>
End of year	<u>\$ 417,763</u>	<u>\$ 176,966</u>
Cash consists of:		
- General	\$ 359,661	\$ 140,609
- Capital projects fund	-	1
- Replacement reserve fund	<u>58,102</u>	<u>36,356</u>
	<u>\$ 417,763</u>	<u>\$ 176,966</u>

Tikva Housing Society

Notes to the Financial Statements

(Unaudited - see Notice to Reader)
August 31, 2020

1. Nature of operations

Tikva Housing Society is a not-for-profit society which provides access to affordable housing primarily to low and moderate income Jewish households in Metro Vancouver. Working with partner agencies such as Jewish Federation of Greater Vancouver ("JFGV") and Jewish Family Services ("JFS"), other non-profit agencies, and government organizations, Tikva facilitates the provision of outside support services and programs to assist vulnerable tenants.

Tikva Housing Society, established under the Societies Act of British Columbia, is a registered charity per paragraph 149(1)(f) of the Income Tax Act (Registration # 84256 2613 RR0001).

2. Cash

On August 13, 2020 the Society's board of directors resolved to establish an internally restricted rent subsidy reserve fund. The board approved an initial transfer of \$50,000 to the rent subsidy reserve fund from the general fund.

3. Property, plant and equipment

Amortization is calculated as follows (with half rates in year of purchase):

Buildings	4% declining balance method
Equipment	30% declining balance method
Furniture	20% declining balance method
New roof	10 year straight line, to match warranty

			<u>2020</u>	<u>2019</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings - Dany Guincher	\$ 1,199,257	\$ 462,818	\$ 736,439	\$ 767,124
Buildings - Diamond Residences	174,383	16,886	157,497	164,059
Equipment	13,975	13,639	336	479
Furniture	6,033	2,042	3,991	4,644
New Roof - Dany Guincher	17,500	11,855	5,645	5,880
Land - Dany Guincher	882,528	-	882,528	882,528
Land - Diamond Residences	<u>1,410,915</u>	<u>-</u>	<u>1,410,915</u>	<u>1,410,915</u>
	<u>\$ 3,704,591</u>	<u>\$ 507,240</u>	<u>\$ 3,197,351</u>	<u>\$ 3,235,629</u>

4. Mortgage Loan

	<u>2020</u>	<u>2019</u>
MCAP Mortgage, (refinanced in 2013) 10 year term, fixed interest at 3.406%, 20 year amortization, Monthly payments of \$2,827.09	\$ 352,971	\$ 374,442
Less current portion	22,337	21,595

Tikva Housing Society

Notes to the Financial Statements

(Unaudited - see Notice to Reader)
August 31, 2020

4. Mortgage Loan (continued)

	<u> </u>	<u> </u>
Due beyond one year	<u>\$ 330,634</u>	<u>\$ 352,847</u>

5. British Columbia Housing Management Commission Loan

BC Housing provided a \$740,000 forgivable loan, on the terms and conditions under the Loan Commitment letter from BC Housing to Tikva Housing Society dated September 20, 2007. On July 3, 2008, BC Housing increased the loan to \$765,000 maintaining the terms and conditions of the original loan. The loan is secured by a mortgage with a 25 year amortization. The loan will be forgiven 1/15 each year, commencing in the 11th year. During the year ended August 31, 2020, \$51,000.00 of debt was forgiven. No current payments are required to be made towards this loan.

6. Net assets	<u>2020</u>	<u>2019</u>
Unrestricted net assets	<u>\$ 2,499,397</u>	<u>\$ 2,361,324</u>
Internally restricted net assets	<u>108,102</u>	<u>36,356</u>
	<u>\$ 2,607,499</u>	<u>\$ 2,397,680</u>

7. Future Commitments

In 2013, the Society entered into an agreement with the Vancouver Community Land Trust Foundation ("Land Trust") for the development of an affordable housing portfolio on land leased from the City of Vancouver. The Society and the Land Trust has entered into an operator agreement in which the Society has been assigned as the operator for 32 townhouses in the 358 unit project. In August 2020, an occupancy permit was issued by the City of Vancouver for the townhouse development and the Society undertook the tenanting of the building. The Society has committed an equity contribution of \$1,000,000, to be funded through a donation pledged by the Ben & Esther Dayson Charitable Foundation. The pledge will become receivable and the equity contribution will become payable before December 31, 2020. In return the Society will receive an interest bearing debenture issued from the Land Trust.

Tikva Housing Society

Schedule to the Financial Statements

(Unaudited - see Notice to Reader)

Year ended August 31

Schedule of expenses	Schedule 1	
	2020	2019
Administration Expenses		
Consulting fees	\$ 47,686	\$ 67,756
Insurance	730	767
Legal and professional	14,557	10,404
Meeting expense	1,322	2,254
Office	<u>75,366</u>	<u>39,451</u>
	\$ 139,661	\$ 120,632
Building operating expenses		
Advertising, promotion	\$ 6,541	\$ 2,257
Janitorial	9,015	9,750
Management	113,212	110,748
Pest control	460	1,213
Property insurance	8,014	8,074
Property taxes	2,124	(1,916)
Repairs and maintenance	15,139	35,004
Utilities, telephone, security and fire alarm	<u>7,251</u>	<u>10,073</u>
	\$ 161,756	\$ 175,203
Financing Expenses		
Bank charges	\$ 339	\$ 583
Mortgage interest	<u>12,454</u>	<u>13,096</u>
	\$ 12,793	\$ 13,679
Fundraising Expenses		
Donation administration fees	\$ 1,772	\$ 873
Fundraising	<u>972</u>	<u>2,153</u>
	\$ 2,744	\$ 3,026
Rent Subsidy		
ED rent subsidy	\$ 100,688	\$ 107,493
